

## Consumer's Perception over the Reliability of Online Coupon Websites

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### ARTICLE HISTORY

**Paper Nomenclature:**  
View Point (VP)

**Paper Code (DOI):** 22048

**Originality Test Ratio:** 08%

**Submission Online:** 26-Nov-2018

**Manuscript Acknowledged:** 29-Nov-2018

**Originality Check:** 07-Dec-2018

**Peer Reviewers Comment:** 13-Dec-2018

**Blind Reviewers Remarks:** 29-Jan-2019

**Author Revert:** 30-Jan-2019

**Camera-Ready-Copy:** 29-March-2019

**Editorial Board Citation:** 31-Mar-2019

**Published Online First:** 15-June-2019

### EDITORIAL BOARD EXCERPT

At the initiation Time of Submission (ToS) submitted paper had a 08% plagiarism which is an accepted percentage for publication. The editorial point of view is of an examination that article had a successive close watch by the blind reviewer's which at later stages had been rectified and amended by authors (ankish & swati) in various phases as and when indispensable to do accordingly. The reviewer's had in a beginning stages mention with minor revision which at a small duration streamlined by an authors. The comments related to this manuscript are exceptionally audible related to exponential organisation both subject-wise and research wise by the reviewers during evaluation and further at blind review process too. The authors are praiseworthy of appreciation for their attempt to scrutinize the **Consumer's Perception over the Reliability of Online Coupon Websites**. The research questions proposed are well articulated. By and large all the editorial and reviewer's comments had been incorporated in a paper at the end and further the manuscript had been earmarked and decided under "**View Point**" category as its highlights and emphasize the work in relation to Consumer's Perception over the Reliability of Online Coupon Websites.

**ABSTRACT** Online shopping brought along with it the emergence of a new trend of online discount coupons. These were websites which acted like a database to all the online shopping deals and coupon codes. With a sudden flood in the number of organized coupons/deal websites such as Near Buy and a similar rush in lesser organized coupon websites such Coupon Dunia one is compelled to understand the consumer's perspective towards these online databases. It is important to know is customers even take it seriously, do they find the content of the website reliable and does demographic and previous technology exposure make a major difference in the consumer's perception of the reliability of this service. Here we have taken primary data of 100 respondents through questionnaire and tested it on statistical tools using SPSS.

**KEYWORDS** Consumer Behavior | Consumer Psychology | Intention | Perception | Reliability

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<https://doi.org/10.18311/gjeis/2018.22048>

Volume-10 | Issue-3 | July-Sep, 2018 | Online ISSN : 0975-1432 | Print ISSN : 0975-153X

Frequency : Quarterly, Published Since : 2009



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## Introduction

There came several online platforms which provides and make available coupon to customers, this way there is a win-win situation for both the service provider and the customer.

Studies (Carter 2017) have shown that American customers often select their choice of store based on the availability of discountcoupons. Mobile App based cab erVICES like *Uber & Ola* majorly rely on coupons to attract consumers(Business Today 2019). These coupon websites are the major contributors to the success of affiliate marketing. Currently, service market place is gaining its importance by providing the customers right solution for their problems. With the growing competitiveness and the race of achieving customers, various marketing techniques were formulated and given birth to. Many of the marketing techniques could not provide the desired results as they were not correctly targeted. With the advent of online coupon market, this task has been sorted out for most service providers. Consumers love getting deals and offers, and coupons are a contrivance to attract such love and loyalty from consumers.

## Literature Review

Internet has been developed as a new channel for distribution, companies prefer omni-channel in order to keep pace with the expectations of the consumers. Not only consumer goods or durables are now available online but even books are present to be bought and read. A study (Hasslinger et al. 2007) reveals that 91.5% of customers have rate their experience to be positive or neither good or bad. The most basic psychology behind online shopping is convenience which was previously considered to be price says a study (Oppenheim & Ward, 2006). Customers often look for cheap deals over the internet and they consider the experiences of others, mainly their friends and family. The opinion of friends is considered to be the major reason for consideration among peers for online shopping (Hasslinger et al. 2007).

When we discuss offline channel of distribution, a study (Faryabi, Sadeghzadeh & Saed, 2012) shows that image of the store also has a positive relation on consumer's intention to purchase and the type of outlet and physical evidence of the same has an effect on purchase decision. Not only price and physical evidence has a relation with consumer purchase decision but discount too has a role. Discounts should be perceived as the offering is of higher value and hence the phrases like "Sale" are used, such phrases stimulates consumer's interest (Inman et al. 1990).

When we consider offline shopping of electronics, the store image has a greater influence as service encounters take place at the store and servicescape quality can be an influencer of store image (Baker et al. 1994). When we talk about coupons, they have been a promotional tool and the cost cutting measure in the minds of consumers (Spiekermann et al, 2011). Hence it increases the attractiveness of online shopping. "Coupons provided by the manufacturer have stronger effect between coupon perception and behavior towards coupon" (Barat, 2012)

There are several factors which influence consumer behavior with respect to cosmetic products, major factor was considered to be social factors like reference group and aspiration group (Kumar et al. 2014), which brings us to another factor behind success of online coupon websites, where they help in endorsement of a brand.

In the recent past e-commerce has drastically changed the shopping habits of customers around the globe. Ecommerce is a platform for everyone. Anyone can sell and anyone can buy.

India ecommerce industry has grown with a CAGR of 17% from 2014 till 2017 and is expected to reach 31.2% by 2015 (Indian E-Commerce Industry Analysis 2018). Figure 1. Shows this penetration of Internet in India.

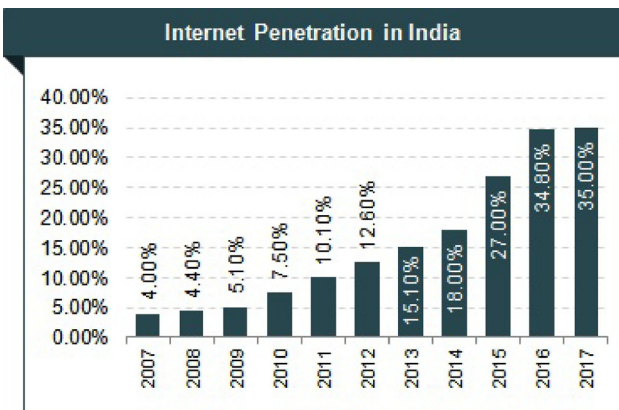


Figure 1. Internet Penetration in India Source : (Indian E-Commerce Industry Analysis 2018)

## Business Model

Coupon websites are a part of affiliate marketing where the portal gets benefits on the basis of traffic it brings. This practice usually follows one of the two business models mentioned below:

1. The coupon website partner with the merchant to agree to run a promotion on their website where the customers can pay money and get a deal, in return the online portal charges commission on the revenue. Here the commission is need not to be paid up front.

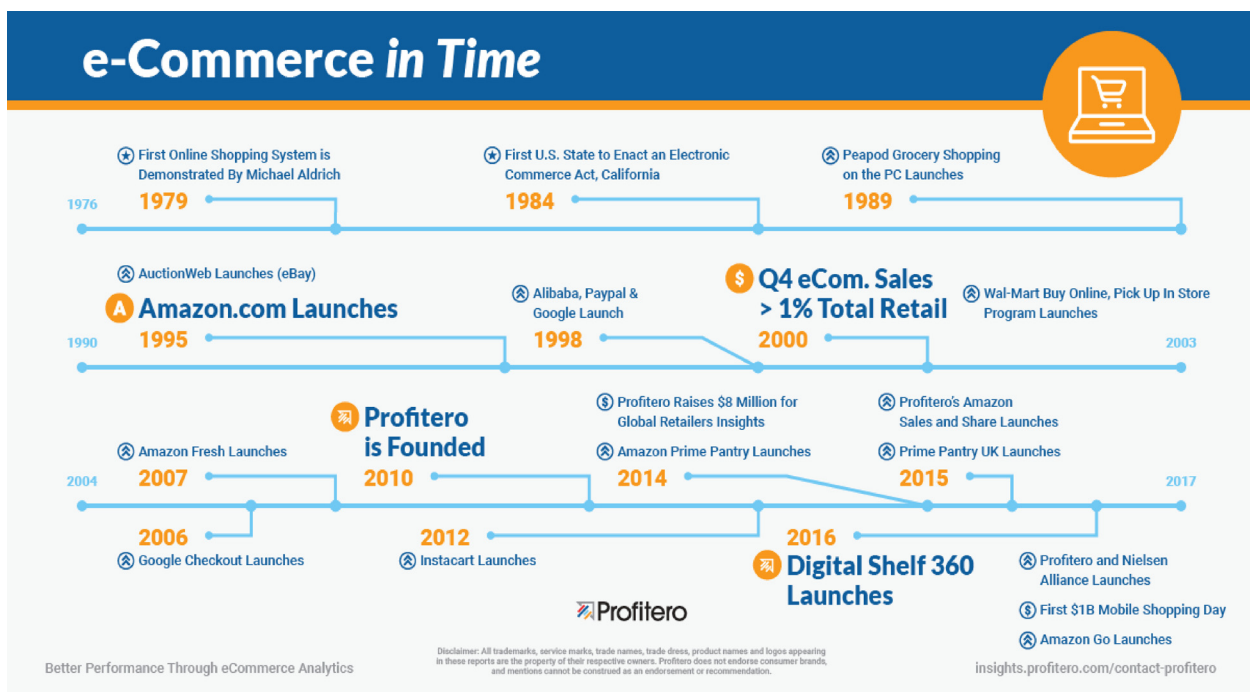


Figure 2. Evolution of E-Commerce: Source: (Cahill 2017)

This growing importance of ecommerce and different companies partnering up for taking advantage of ecommerce, give birth to online coupon websites. Coupons in marketing are redeemable documents or cards which can be used for financial discounts or rebates.

In e commerce online coupons are used to redeem such coupons on the website, to attract customers and making new loyal customers.

- Eg. nearbuy
2. Coupon website agrees the merchant to run a free promotion on their website where they give coupons to the merchant's place or product, in return the coupon website get paid for the coupons downloaded or redeemed.

Most of the online coupon websites like Groupons, nearbuy, savings, FatWallet etc, started partnering with major ecommerce players.

Competing coupon websites in India

1. CouponDunia
2. Freekamaal
3. ShopPirate
4. Buy1Get1
5. Mydala
6. CouponNation
7. CashKaro
8. CouponRaja
9. CouponRani
10. Couponzguru

## Research Methodology

With the increasing use of online coupons, their reliability and relevance is now a doubt in customer's mind. This research focuses on consumer's behavior with respect to online coupons.

The followings are the hypothesis to be tested;

H1: There is a stronger negative relationship between age of the customers and their purchase intention towards discount coupons

H2: There is a stronger negative relationship between income of the customers and their purchase intention towards discount coupons.

H3: There is a stronger positive relationship between technology exposure of the customers and their purchase intention towards coupons.

A sample size of 102 respondents was selected using convenience sampling. A questionnaire was created using Likert scale and 25 questions which captured the essence of the various variables. Statistical tools such as T-Test, Chi -Square and Simple Bivariate Correlation were used to test the hypothesis.

## Data Analysis

The primary data collected from the questionnaire will help establish the relationship and consumer's behavior towards online coupon websites. Factors like price, convenience, brand and discounts have been given focus and discussed in Table 1.

**Table 1: Descriptive Statistics**

Gender		Frequency				Percentage	
Female		42				41.17%	
Males		60				58.83%	
Result	Price	Convenience	Referral	Discount	Brand	Reviews	Hit rate
Mean	3.96	4.12	3.29	4.24	3.95	3.58	3.60
Median	4	4	3	4.5	4	4	4





This shows that the most important factors while purchasing coupons are:

1. Total discount with average ratings 4.24
2. Convenience with average ratings 4.12
3. Price with average ratings 3.96
4. Brand with average ratings of 3.92

The total discount which the customers get after purchasing the coupon is the most significant factor and convenience which turns out to be the second most important factor refers to customer's convenience in using the coupon, for example if a customer purchases a coupon for Pizza Hut but only particular outlets are accepting the coupon then such a hindrance caused will have a negative impact on consumer's buying behavior.

### Figure 3 Analysis of Age and Frequency of purchase

The Figure 3 shows that consumers use coupons less frequently and frequency of usage among consumers of age 35 and above is majorly once a month or never purchased. Only a fraction of consumers use coupons almost every week and none of the respondents used coupons daily.

**Table 2 Gender and influence of Brand**

Labels	Average of Brand associated with coupon
Female	3.97
Male	3.93
Grand Total	3.95

The respondents consider brand as one of the factors which is important while they purchase coupons. The respondents gave Brand Association an average rating of 3.95 on a scale of 5. Then female and male respondents are bifurcated, we derived that females gave brand a higher rating as compared to males. While average ratings for Brand association was 3.95, males gave the ratings of 3.93 and females gave the ratings of 3.97

Applications like Uber, OLA, MMT etc, give extra discount on referrals which can be an easy way of making extra discounts without spending any money. But, while conducting the survey, it was found that the respondents gave Referrals the lowest ratings as compared to other factors like Price etc. The respondents gave an average rating of 3.2 on a scale of 5 to Referrals making it the least important factor in their list.

While analyzing the impact of different festivals and occasion, it was found that respondents of the age group 25-35 consider Occasion as a major factor for which they rated occasion 4.15 whereas respondents from other age group had a different story to tell.

**Table 4 Occasion and Age**

Row Labels	Average of Occasion
18-25	3.5
25-35	4.15
35-45	2.8
45-55	2.33

While analyzing the reasons why respondents purchase or are reluctant of purchasing coupons, the observations were as follows;

1. Reason for coupon purchase
  - To buy product at better price
  - Try different product / service for less price

Respondents agreed that they would switch a product/service if an alternative is available at better price with a coupon

2. Reasons why coupons are not preferable

### Figure 2 Analysis of consumer behavior

The two major reasons which make consumers reluctant in purchasing coupons are,

- The Terms & conditions related to the use
- The perception that they are yet another marketing technique

## Hypothesis Testing

In this T- test was conducted at a significance level of 0.05. As per Table 5, it can be concluded that there is a significant difference in technology exposure among the two genders. This implies that men and women both are equally technology savvy.

**Table 5: t-Test: Two-Sample Assuming Unequal Variances**

	Male	Female
Mean	4.383333333	4.428571429
Variance	0.748870056	0.738675958
Observations	60	42
Hypothesized Mean Difference	0	
df	89	
t Stat	-0.260883765	
P(T<=t) one-tail	0.397392424	
t Critical one-tail	1.662155326	
P(T<=t) two-tail	0.794784848	
t Critical two-tail	1.9869787	

## Conclusion

The coupon market has not yet been successful enough to be in consumer's basket more frequently. The research was successful in finding out the industries where coupons are considered more reliable and where the purchase intention lies.

### Industries

- Cafes & Restaurant
- Online food delivery
- Online shopping
- Online payment portals

With T-test we concluded that both males and females were equally inclined towards new technology and mobile applications. With this research the major reasons pertaining to consumer using or being reluctant to use coupons were highlighted.

## Managerial Implications:

This study will help online business models evaluate the usefulness of online discount coupons as well as it will help in selecting the most preferred brand for online discount coupons for example coupons are mostly used in which sector, is it FMCG, travel or leisure etc. Unlike a common perception, it has been found that male and females have similar technological exposure and technology savvy behavior. This analysis helps in identifying that online coupons can be used in case of products which are not just restricted to males but would find equally good fitment with female oriented and female driven products. Hence can be used across both genders.

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The Editorial Board had used the ithenticate plagiarism [<http://www.ithenticate.com>] tool to check the originality and further affixed the similarity index which is 8% in this case (See Annexure-I). Thus the reviewers and editors are of view to find it suitable to publish in this Volume-10, Issue-3, July-Sep, 2018

## Annexure 1

### CONSUMER'S PERCEPTION OVER THE RELIABILITY OF ONLINE COUPON WEBSITES

#### ORIGINALITY REPORT

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<b>6</b>	Sanjeev Agarwal. "Leadership Behavior and Organizational Commitment: A Comparative Study of American and Indian Salespersons", <i>Journal of International Business Studies</i> , 12/1999 Publication	<b>1%</b>	<b>11</b>	<a href="http://t.www.na-businesspress.com">t.www.na-businesspress.com</a> Internet Source	<b>&lt;1%</b>
			<b>12</b>	<a href="http://www.econ.cam.ac.uk">www.econ.cam.ac.uk</a> Internet Source	<b>&lt;1%</b>
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#### Citation

Ankish Agarwal and Swati Oberoi Dham  
"Consumer's Perception over the Reliability of Online Coupon Websites"  
Global Journal of Enterprise Information System.  
Volume-10, Issue-3, July-Sep, 2018. (www.gjeis.com)

<https://doi.org/10.18311/gjeis/2018.22048>

Volume-10, Issue-3, July-Sep, 2018

Online ISSN : 0975-1432, Print ISSN : 0975-153X

Frequency : Quarterly, Published Since : 2009

Google Citations: Since 2009

H-Index = 96

i10-Index: 964

Source: <https://scholar.google.co.in/citations?user=S47TtNkAAAAAJ&hl=en>

Conflict of Interest: Author of a Paper had no conflict neither financially nor academically.



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