

What impacts does the sales promotion instrument Couponing have on German consumers' behaviour?

Master's Thesis

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Executive Summary

Since July 2001 in Germany the discount law was set out of force and prior prohibited coupons were discovered again in German retail outlets. This study examines what impacts the sales promotion instrument couponing have on German consumers' behavior. Therefore, factors that determine consumers' behavior towards coupon redemption and the impacts coupons do have on German consumers' purchasing behavior are studied. Furthermore, the self-perceived price-consciousness of German consumers, as well as German consumers evaluation of the availability and utility of coupons is examined. In addition, German consumers preferred coupon characteristics and to what degree Germans are willing to provide personal data to companies in order to get coupon offers, are studied.

From a methodological perspective this research follows a deductive approach.

The literature review emphasizes on the importance of couponing for marketers as a sales promotion tool from various perspectives, a conceptual model that explains consumers' coupon use and short- as well as long-term effects of couponing and its position within Customer Relationship Management.

The German retail industry, as well as past regulation of Couponing and its legalization in Germany is introduced.

Findings are gathered through secondary and primary data analysis. A web-based self-completion questionnaire was developed out of the conducted theoretical foundation from the literature review. A total of 120 respondents contributed to the research topic.

The high acceptance of the sales promotion instrument couponing is shown by more than 95 per cent of the respondents that made experiences with coupon redemption so far. Nevertheless, state participants that they do use coupons just several times a year.

The younger respondents are, the more they tend to be willing to share personal data in order to receive coupon offers in comparison to elders. A correlation on the significance level of 0.001 between respondents' age and the willingness to use the mobile-phone for the use of coupons is measured.

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List of Abbreviations

BDSG	Bundesdatenschutzgesetz
CRM	Customer-Relationship-Management
EAN	International Article Number
ePOS	Electronic Point of Sale
Et al.	Et alii
EU	European Union
POS	Point-of-Sale
RabattG	Rabattgesetz
SMS	Short Message Service
UK	United Kingdom
US	United States
USA	United States of America
UWG	Gesetz gegen den unlauteren Wettbewerb
VAT	Value-added-tax
ZugabeVO	Zugabeverodnung

1. Introduction

In the first chapter of this project paper the research background will be discussed along with the purpose of this study. Moreover, research questions will be defined and presented. Afterwards, a project outline will be drawn, to give a brief overview for each chapter of this research paper.

1.1 Research background

Special prices, "2 for 1", free gifts, discount coupons and lotteries: In hardly any other sector consumers encounter so many different sales promotions as in retail. This applies to Germany as well as many other European countries (Pelsmacker, Geuens & van den Bergh, 2007, p. 354f.). Sales promotions are a marketing instrument. With the help of this, companies try to support the achievement of specific economic objectives such as cross selling, market share increase, price discrimination, market research or customer retention (Winkelmann, 2010). The growing importance of sales promotion is mainly due to the fact of an enormous competitive intensity in German retail industry (Deter, 2014). In recent years the retail sector became even more concentrated. Many competitors from abroad tried to get into the market and failed (Manager Magazin, 2006). The individual customer becomes more and more valuable for both, retailers and manufacturers. Manufacturers are set under price pressure from retailers. The retail market becomes more and more concentrated and many retailers launch trade labels, which are highly appreciated by growing parts of the population. In other words manufacturers' margins are shrinking in order to stay competitive and maintain market shares. For attracting customers, the marketing mix that is available for companies consists of a number of individual instruments such as classic advertising, sponsorships and many more (Kotler & Armstrong, 2010, p. 214ff.).

In this thesis, a specific sales tool is the focus, which gained, in terms of the intensity of the use, in marketing in recent years and is becoming increasingly important in Germany, namely Coupons.

The first coupons were issued 1894, in the US, by Asa Candler. The druggist, who had bought the recipe for Coca Cola in order to achieve a higher level of awareness, of the

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back then unknown beverage. To date, about 275 billion coupons are yearly issued in the US (Angrisani, 2005, p. 43).

Visiting USA is always exciting as a European. Comparing European citizen to US citizen there are many differences from cultural and behavioural perspectives. For example, if you visit one of these giant supermarkets, one thing that can be recognized immediately is that customers give slips of papers to the cashiers. These little pieces of paper are known as coupons. After the cashiers scanned those slips, the total amount of the shopper's basket will be reduced instantly. Basically this is the concept of coupons.

While trading stamps were used to stimulate the economy in Germany in the 50s, they disappeared again in the 60s due to legal regulations. After the period of exile, back on 25 July 2001, in Germany the discount law was set out of force and coupons were discovered again in German retail outlets. To date, emulating the US, where the coupon is omnipresent and became an integral part of everyday life of many customers. In Germany couponing is a rather young subject compared to the history of coupons in the US. Nowadays, in Germany coupons start to get higher attention from consumers as well and their popularity increased fast during the last years, but still without such spreads as in USA. In 2013, redemption rates in Germany increased by 30% compared to the year before (POS kompakt, 2013, p. 20).

To date, marketers have to restructure their marketing mixes due to the excessive competition and the variety of available marketing channels. Manufacturers are set under price pressure from retailers since the markets are getting more and more concentrated. Furthermore, coupons are to be an effective measure to improve sustainable customer loyalty. Marketers know that long-term customer loyalty is more important than ever, since it is the basis to maintain successful in the business (Kincaid, 2003, p. 15). The thesis focuses on the national retail environment in Germany and discusses findings and observations in terms of couponing as a sales promotion instrument and the usage of coupons by German consumers.

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1.2 Problem Statement and Research Questions

To get a closer understanding of the problem researched in this research paper, the following research question will act as a guideline for the researcher as well as the reader.

What impacts does the sales promotion instrument Couponing have on German consumers' behavior?

The stated research problem will be answered by dividing it into five different subquestions that can be seen below.

- 1.1. What factors determinate consumers' behaviour towards coupon redemption and what impacts do Coupons have on German consumers' purchasing behaviour?
- 1.2. How do German consumers evaluate the availability and utility of Coupons?
- 1.3. What is the self-perceived price-conciousness of German consumers?
- 1.4. What are German consumers preferred coupon characteristics and to what degree are Germans willing to provide personal data to companies in order to get coupon offers?

1.3 Project Outline

This project consists of seven chapters that are organized and connected to each other in order to conduct this study.

Chapter 1 – Introduction, the research background of the topic is explained and where the research topic is rooted. Moreover, research questions are developed which act as a guideline for the researcher.

Chapter 2 – Methodology explains the methodological approach the researcher follows in this project. Furthermore, used research methods and criteria will be introduced as well as the rational assumptions underlying this study.

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Chapter 3 – Theoretical Foundation introduces the key concepts of this research. An

overview of the history of couponing is presented. Afterwards Couponing in Germany is

introduced from various perspectives such as its establishment in Germany and the

classification of coupons. In addition, a couponing process will be introduced in detail

and future developments are presented. The literature review tries to identify short-

and long-term effects as well as Pro's and Con's from the perspectives of the actors on

the market. In the end a conceptual model of coupon use will be presented.

Chapter 4 – In the beginning, this chapter introduces basic facts of customer relationship

management (CRM) in order to backup knowledge that describes the efficiency of

coupon usage in terms of CRM afterwards.

Chapter 5 -In the fifth chapter, the primary data analysis is conducted in order to

answer the research questions related to coupon usage and consumer behavior.

Chapter 6 – Discussion deals with the findings prior developed during the data analysis

of this project and refers back to theoretical considerations from the literature review in

chapter 3.

Chapter 7 – Conclusion gives answers to the prior set research questions and draws final

conclusions on the topic.

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2. Methodology

In this chapter a clear overview of the methodological approach will be presented. Therefore, the methods that are appropriate for this project will be described. The overall aim is to use the introduced methodology as a guide for data collection and analysis of it throughout the project.

In the beginning of each business research process different variables should be taken into consideration. The purpose of this chapter is to explain the variables used in this research paper.

2.1 Methodological Viewpoint

When researchers develop their approach to a topic to be researched they always underlie certain personal philosophical assumptions. In regards to this philosophical perspective, Bryman and Bell (2011) identified two major concepts, which are known as epistemology and ontology.

2.1.1 Epistemology

The term epistemology describes the nature of knowledge "How we know what we know" or what is the "truth" (Kuada, 2012). In other words, how the researcher can gain the knowledge for the investigated topic.

Bryman and Bell (2011) identified two epistemological positions, which are positivism and in contrast to it, interpretivism.

In positivism, researchers make use of the application of methods of natural sciences for their study of the social world. Researchers acting as positivists believe that their observations are free from any values. In other words, they conduct their research in an objective way as external observers. Therefore, to understand the whole social phenomena positivists study the constituent parts of the whole. Another part of positivism is that human beings gain knowledge through the gathering of facts that provide a solid ground for laws, which means that knowledge is shaped by the environment and must be by confirmed by researchers' senses.

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In contrast to positivism there is interpretivism. Interpretivists are also known as antipositivists. Researchers who are interpretivists rely on the belief that social phenomena are not independent from individuals and therefore require the need of interpretation. From an interpretivists view, human beings are not able to be objective since the environment always affects them in reality.

In regards to this project, from an epistemological perspective the moist suitable is the positivism since reality is comprehended from an external and objective point of view. The basic approach of this thesis is primary data collection. Using a self-completion questionnaire where respondents contribute their own knowledge to the research. This should help the researcher to answer the research questions.

2.1.2 Ontology

The term ontology explains the nature of what the researcher aims to know about reality, in other words, if the world is external and concrete to the individual or if individuals' create their own perception of the world. Regarding to ontological assumptions, philosophy of science is divided in two approaches called objectivism and constructionism.

Bryman and Bell (2011) state, "Objectivism is an ontological position that asserts that social phenomena and their meanings have an existence that is independent of social actors." In regards to this statement, social world exists as a tangible and independent whole, which contains individuals who conform to that order. In other words, social world forms the individuals.

In contrast to objectivism, "constructivism is an ontological position which asserts that social phenomena and their meanings are continually being accomplished by social actors" (Bryman and Bell, 2011). According to this, social world is constantly being revised by social interaction with the phenomena. This means, that individuals shape social world.

The research for this entire project is made from an objectivist approach of the social world, meaning that social world shapes the existent reality and cannot be influenced by the researcher.

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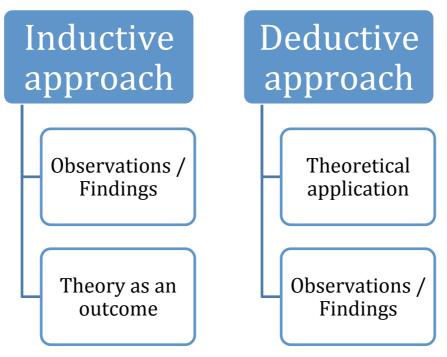
2.1.3 Research Approach

Bryman and Bell (2011) stress the importance of the researchers' own role in the research process. In order to evaluate the quality of the business research, it is substantial to know as much as possible about: First, how data was collected. Second, data was analyzed afterwards and third the theoretical perspective that build the interpretation of the findings.

The last paragraph refers to the relationship between theoretical perspectives researchers obtain during the research process. Hence, theory of science gives two different approaches, which help researchers to gather findings in their research topic. These are known as induction and deduction. Induction is based on empirical evidence, while deduction is based on logic (Ghauri & Grønhaug, 2005). Using an inductive approach researchers gather conclusions, which can be generalized, from their empirical observations. In other words, in this type of research the series of actions to achieve a result go from observations to findings and end up in theory building. This means findings are combined with existing knowledge in order to draw new or improve theories. Hence, using an inductive approach leads to theory as outcome/goal of the research. The inductive method is often associated with qualitative research as the research process goes from assumptions to conclusions (Ghauri & Grønhaug, 2005).

The other approach in theory of science as mentioned above is deduction. Using this approach means drawing conclusions on logical reasoning. Findings do not have to be necessarily true in reality, but at least they are logical. Conducting studies with this type of research uses theories of existing knowledge. Researchers use existing theories to test these concepts during their research process. This testing is done with hypotheses, which are built on prior presented theories. This kind of research is frequently connected to the quantitative type of research. Figure 1 shows the inductive and the deductive approach.





Source: own creation based on: Wilson (2010)

For this sake of research the deductive approach was chosen as theories are first discussed. These theories are used later on as a basis for the primary data conducted with the help of a self-completion questionnaire that provides information needed for the analysis part.

2.2 Research methods

In this chapter an overview of different research methods will be introduced having advantages and disadvantages for this particular study in mind. Additionally, it is mentioned which methods are used in this study and reasons why they were chosen are presented by the researcher. In the end of the chapter problems faced during the research process in regards to data collection, data coding and data cleaning will be presented as well as possible impacts for the reliability and validity of this study.

First of all, data can be distinguished into qualitative and quantitative data. Quantitative data are always presented in values while qualitative data are not. For that reason qualitative data can be words, stories, observations, audio or pictures. But the distinction is not that black and white, as it seems on the first sight, since quantitative

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data are based on qualitative judgments of research participants (Mooi & Saarstedt, 2011).

As Mooi & Saarstedt (2011) state, data collection can be separated into two types: Primary data collection and secondary data collection. Data that are collected for a specific purpose by the researcher himself is called as primary data; on the other hand there is secondary data what other authors for another intention have already collected. The advantages of secondary data are that it is cheap and easy to access but at the same time it often can raise questions about the validity and reliability. Researchers should keep this in mind, when deciding to use secondary data over primary data for conducting their research. Hence, primary data can be much more precise, because it allows the researcher to collect the exact information needed, that fits best the investigated problem. Possible disadvantages of primary data collection are that it is usually more expensive and more time consuming in comparison to secondary data collection. On the other hand secondary data may be outdated and there is no control over the actual data collection process, which is not the case for primary data collection. An extensive secondary data research is always a good start to analyze a specific problem and if there is high quality secondary data that fit the research problem it is from high value for researchers and usable.

Kumar (2000) states, that primary data collection can be separated into four different types. These are interviews, focus groups, observational techniques and surveys. First, interviews are often used by researchers to gain in-depth information on a specific topic and can be further separated into phone and personal interviews. In both methods there is a risk of being biased as an interviewer/researcher. Personal interviews are more time consuming and generally more expensive whereas telephone interviews are considered to be cheaper and less time consuming. Second, focus groups require individual people in a group to discuss a certain topic. As results, researchers gain useful information about people's attitudes, perceptions or opinions. The third type mentioned was observational techniques. Those presume researchers to observe certain different people over a longer time period in order to investigate their behavior or reactions on a specific topic or product for example. The last category is surveys. These are known as

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the most common and used method for gathering primary data. In comparison to the first three mentioned types of data collection, which were all qualitative methods, these are quantitative. Surveys are usually conducted as questionnaires, which are administered personally, through mail or Internet and by telephone. Hox and Boeije (2005) stress the importance of questionnaires when researchers are interested in collecting data on attitudes, feelings, experiences or opinions for a specific population. Therefore, surveys are a tool from high importance to evaluate the behavior of consumers.

In this research project secondary data is used in the form of articles, books, documents and reports. All these secondary data can be used as background knowledge for this project because it contains important additional information on the research topic and may help to solve research questions. In addition to these collected secondary data, primary data will be gathered in order to answer the research questions more accurate.

Control is considered of the most important element in quantitative research since it enables the scientist to identify the causes of his or her observations. In other words, experiments are done in quantitative research to find answers on specific questions. Therefore, it is tried to identify the reason of why something happens or what causes an event under which conditions. To answer such questions, control is necessary to provide unambiguous answers. It is from high importance to define terms by the steps or operation used to measure them. This is done to avoid any confusion in meaning and communication. In this research quantitative research methods are used as this makes it possible to draw conclusions based on facts and to generalize results to the entire population. In general a quantitative approach is from an objective nature, since data is collected and analysed in numeric form. The author of this thesis uses quantitative in the form of a web based self-completion questionnaire that will help to collect more detailed and accurate data for answering the research questions. The surveys' design is developed out of the theoretical foundations in this research in order to get replicable results and use existent theoretical knowledge.

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2.2.1 Sampling

A sample always consists of the subsets of individuals of a population. In nearly all primary research that is done a sample out of the entire population is surveyed. Generally, it is important to distinguish between the terms sample and population. Therefore, these will be defined now. During this research paper a sample is known as the portion of the population that has been selected for the analysis. In comparison to this, a population is the totality of items or subjects under consideration, which is any set of individuals having some common observable characteristics. According to that, a sample is a subset or a part of the entire population. Sampling is important for researchers since it is a way to draw possibly unknown characteristics of the population. In other words, sampling makes researchers life easier because conclusions can be drawn for a large population by only studying a selected portion out of the total population. This approach is well established and worldwide from acceptance. For instance, this technique is used before elections to draw an image of possible final results for the entire population (Neelankavil, 2007).

Another approach for data collection is known as census. For this type, every member of the population has to be contacted for information. This means, that a census measures every member's interests in the population. It is obvious, that this kind of data collection has a disadvantage in regards to costs - which are really high in comparison to sampling techniques. Additionally, censuses are both, difficult to conduct and really time-consuming. Since all these reasons have to be considered by researchers, censuses are usually used in relatively small population sizes for the sake of research questions (Neelankavil, 2007).

Basically, researchers differentiate between nonprobability and probability samples.

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Table 1 shows the different types of sampling used in research.

Table 1 - Different types of Sampling

	Representation Bias	
Element selection	Probability	Nonprobability
Unrestricted	Simple Random	Convenience
Restricted	Complex random	Purposive
	Systematic	Judgment
	Cluster	Quota
	Stratified	Snowball
	Double	

Source: Own creation based on Cooper and Schindler, 2014

To define probability and nonprobability samples is from high importance before explaining some of the above-mentioned sampling techniques. Cooper & Schindler (2014) state, that probability samples are always based on a concept of random selection. In other words, each individual in the population has the chance to be chosen as a part in the sample. For the sake of clarity, in this research process this is not true. The primary data was gathered online through Facebook, direct mails or forums. Due to this process of publishing and sharing the questionnaire was not accessible to everyone out of the population. For that reason, the variety of probability sampled will not be explained in this research paper, as this type of sampling was not used by the researcher while conducting the primary data collection.

Using the technique of nonprobability sampling has limitations; such as there is no chance for each member of the population to be picked as a part of the sample. It is a subjective and arbitrary method. For example doing research in public places like on the streets or in a mall choosing people randomly, meaning everyone who is interested in participating is not a random sample because. The justification for this is, when data is collected in public places in these are always just small parts of the population, which means that there is no chance for everyone out of the entire population for being a part of the sample.

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Practically, using a probability sample is more favorable than a nonprobability sample. Sampling bias is a problem which researchers face in probability sampling. To overcome this impact random selection is used. According to these circumstances, there is a higher chance that the sample is representative of the population from which it was drawn. Nonprobability sampling is a subjective approach. This implies that the probability of selecting elements of the population is unknown. Individuals can be chosen to be part of the sample in different ways. For instance, field workers would choose people on the scene. If the researchers do so, there is a higher chance for suffer from sampling bias in the sample selection process which may result in distortions in the findings of the study. After all, why should researchers choose nonprobability sampling over probability sampling facing these technical disadvantages? Cooper and Schindler (2014) state, there are reasons to do so.

One important fact is that it is hard to get access to the total of the population. This would need huge efforts on money and time, which is a high investment for researchers. Another reason for the usage of a nonprobability sample over a probability sample is the interest of researchers in a broad variety in the responses they gather. In this project, the researcher did not have access to the total population of Germany. Due to the limited time and resources a nonprobability sample was chosen to be appropriate for this research. Going back to table 1, there are several ways of nonprobability sampling.

The most common technique of sampling is convenience sampling. These samples are not restricted at all. Everyone out of the population is allowed to be a part of the sample, Researchers do not have to follow any rules or guidelines choosing participants in other words, they are allowed to choose whomever they want. In this research such a convenience sample was used to gather primary data. The self-completion questionnaire was shared via Facebook and personal e-mails. The researcher did not have any influence on the selection of respondents. Everyone who was interested in participating had the chance to do so.

Another technique for nonprobability sampling is purposive sampling. This technic underlies on certain criteria and can be split into two different approaches. These are judgment sampling and quota sampling. First, judgment sampling is known as a method that relies on prior set criteria that possible respondents have to fulfill. For instance, this could be a question if they belong to the population the researcher aims on.

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On the other hand there is quota sampling, which is used to increase the level of representation of the whole population. Choosing the use of certain relevant characteristics that describe dimensions of the population does this. To keep it simple, if the chosen sample has the same characteristics in comparison to the population it is more likely to generalize findings out of the study to the whole population.

The last sampling method that is going to be introduced is snowball sampling. This strategy is used the most in social sciences were respondents are not easy to identify and best contacted and located through referral networks or their peer group. For this study this is not the case. In the past the method of snowball sampling has been used to do research on topics were respondents were hard to identify and target like gang activities, drug addicts or similar topics.

To sum up, this chapter is about sampling and the issues of different techniques. The researcher is aware of the influences the chosen sampling technique and the sample size have on the representativeness of the research. All findings in the analysis part of this research can be seen as an indicator but cannot be taken for granted for the whole population.

2.2.2 Design of the questionnaire

The questionnaire was designed using SurveyXact. SurveyXact is an online tool for conducting primary research in the form of questionnaires. The smart designer allows researchers to generate and create online surveys easily.

The first part of the questionnaire consists of a brief introduction explaining who the researcher is, why the information is needed and that all given information will be threatened as confidential and remain anonymously. Each question is from the type of closed questions as they are easier to answer for respondents. Moreover, in this way respondents are more likely to answer sensitive questions. Additionally from the researcher's perspective closed questions are easier to code afterwards, which facilitates the comparison of variables and quantification of results in the analysis part. Each question in the questionnaire had to be answered in order to complete the survey. The questionnaire was created in German language first, since the data will be collected in Germany and was afterwards translated into English language. Furthermore, the questionnaire was pretested in order to check it for logical errors, mistakes or possible misunderstandings by relatives and friends of the researcher. After the pretest phase,

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several statements were slightly adapted in the wording to get more precise results. An overview about the content of the questionnaire is given in chapter 5.2.

2.2.3 Primary Data collection

The self-completion questionnaire was distributed to respondents via Facebook and direct e-mails. Possible respondents were briefly introduced to the topic by a short introduction where the researcher introduced the topic and him. The respondents were asked to answer the questions with their personal opinions always keeping in mind that there are no wrong answers. As this research was conducted online and mostly shared via Facebook, the researcher did have low possibilities to influence the sample.

Using the online tool SurveyXact made the data collection in one dataset easy. After terminating the data collection process the full raw dataset was provided through the website of SurveyXact and was downloaded by the researcher.

2.2.4 Coding Cleaning and Analysis of the Primary Data

After the Primary Data Collection process finished each questionnaire from the sample had to be coded. The raw dataset, which was downloaded after the Primary Data Collection Process, needed to be cleaned accurately. Since respondents always had the chance to quit the survey. First of all the data had to be cleaned in terms of partly completed questionnaires. The total sample size is 133 respondents. 119 of the respondents completed the questionnaire and 14 respondents answered the survey partly. These 14 respondents were deleted from the dataset afterwards, as partial answered questionnaires could influence the results.

In the dataset every single question out of the questionnaire got its own variable. In these variables the different response possibilities were coded into numbers. In order to illustrate this process an example will be provided here. The first question asked in the questionnaire is, "Have you already had experiences with the redemption of coupons?" Obviously there are two possibilities "yes" or "no". In this case, the researcher decided to name the variable for this question "CouponExperience" and coded the possibility "yes" as a "1" and "no" as a "2".

After the data coding the data was imported into the computer software-tool SPSS 23 to analyze the relevant variables in order to answer the research questions of this study.

The variable "Age" was recoded in SPSS as no respondent ticked the option "< 20". Therefore, the choice "21-30" was renamed to "<= 30" and the dataset of the single respondent was added to the renamed one. In addition to that, all the questions that provided 5-point likert scales as answers were recoded for the statistical tests. For instance, the two positive ("fully applies" and largely applies") respectively the two negative answers ("does rather not apply" and "does not apply at all") were combined into one statement for each which are "agree" and "disagree". The answer "undecided" was not recoded into one of these statements and remains alone. In the appendix a

2.3 Research criteria

According to the methodological point of view this project is grounded in a quantitative research method following the objectivist approach as a researcher. The investigation of the problem has been conducted as an external observer.

codebook is attached wherein each step of the coding has been reported and described.

Conducting research is always about validity and reliability. In other words, if the findings gathered through the research process are valid and reliable. Validity and reliability are frequently used techniques in quantitative research (Bryman and Bell, 2011).

2.3.1 Validity

When researchers use the concept of quantitative research, validity is from high importance. The validity is defined as the integrity of the results or conclusions for a specific research question. Moreover, validity can be seen as a matter of if the researcher chose the right research approach. For instance, measures, questions and theories used to explain the issue researchers want to study (Bryman & Bell, 2011).

Measurement validity is the first concept to consider. The aim is to see if the chosen measures used in a specific research, capturing a certain concept, actually are reflecting the concept that the researcher wants to investigate. At this point, it is important to mention that validity presumes reliability. In regards to this, if a measure is not stable over time and therefore being unreliable it cannot be considered as a valid measure of a certain concept.

Internal validity deals with the causality between independent variables and dependent variables. This means that the researcher has to question if the independent variables

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that were chosen in order to explain a specific dependent variable actually are responsible for an identified variation.

Quantitative studies often aim on a generalization of the results to a larger amount of people that is known as the entire population. The concept of external validity asks whether or not a researcher is able to do that. The goal must be to generate a representative sample, when this has been successfully done the researcher can generalize the results. This makes the selection of respondents extremely important in quantitative research. Within this research the final sample size consisted of 120 cases and therefore the integrity of external validity needs to be questioned. This means, the sample is too small to represent the entire population.

2.3.2 Reliability

Due to the fact, that this research is a quantitative research, the issue of reliability has to be considered. Under the concept of reliability researchers are concerned about whether the results of the study topic are repeatable and consistent or not. According to this, it needs to be evaluated for what extend it is possible for me as a researcher or other researchers to repeat a particular study in order to find out if prior findings or answers are consistent. In other words, reliability deals with the stability and consistency of the measures used during the research process (Bryman & Bell, 2011). Stability is known as one of the most important issues in quantitative research and should always be checked. It gives researchers an impression about the reliability of the measures used. The most natural way of testing stability would be the usage of several measures for numerous studies, checking in the end if the results of these studies indicate the same findings. Off course, this approach is highly dependent on if the researcher has the time, money and resources to replicate the study. Unfortunately, this is not possible within this project work and this ends with the possibility that this research lacks in reliability when stability and reliability are under consideration.

Another aspect that researchers have to be aware of is internal reliability when using quantitative research approaches. According to Bryman and Bell (2011), internal reliability is about if indicators that give reason for a scale or an index are consistent. More precise, there might be a possibility that these indicators do not reflect the same issue or they might lack in coherence. For instance, within the primary data collection process of this research respondents were asked in question 13 if they would provide

personal data. In consequence, the respondent had to rate on a five point likert-scale whether or nor he would do that. What is under consideration now, is if same answers from several people would indicate the same or not. One way of testing this is to use the Cronbach's alpha, which is based on the split-half method. This method is applied by splitting all indicators that make up the scale into two equally sized groups. Afterwards, the degree of correlation between two scores of the groups is calculated. The objective is to find out whether respondents of both groups also score high on others indicators. The Cronbach's alpha value is known as a coefficient that can be between 0 and 1, whereas 0 stands for no correlation and no internal consistency and 1 that stands for perfect correlation and complete consistency. Bryman and Bell (2011) suggest to use at least a 0.7 coefficient in order to conclude an acceptable level in terms of internal reliability. In appendix C the correlation matrixes and Cronbach's alpha coefficients of each question set which make up scales in this research is presented. The tests show that for the questions 5, 7 and 8 and their sub-questions the Cronbach's alpha coefficient is below 0.7. This indicates a non-acceptable level of internal reliability. The other question sets 4, 6 and 13 have Cronbach's alpha coefficeents that are above 0.7 indicating acceptable results. The levels of internal reliability of this research are shown in table 2 below:

Table 2 Cronbach's Alpha of the scale question sets

Questionset	Cronbachs's Alpha
4	0,78
5	0,687
6	0,876
7	0,258
8	0,102
13	0,87

Source: own creation

Furthermore, inter-observer consistency is the last concept that is introduced linked to reliability. Researchers should be aware of the fact that often more than one researcher is involved in the research process. Therefore, it is hard to avoid any subjective judgments when conducting research. The concept of inter-observer consistency raises the question if these judgments are consistent in the research. For instance, if there is

consistency in the judgments of different researchers involved in the data recording or cleaning process making decisions on how to treat different issues or analyzing the data. A codebook as it was created for this study, can help to overcome these issues as it acts as a guideline how researchers have to deal with certain problems as respondents' mistakes. The codebook is attached in the appendix. Since in this research only one researcher was involved, there is no need to consider inter-observer consistency. To overcome such problems having multiple researchers working on one study good communication is necessary among the researchers. A codebook should be created to limit possible misunderstandings while recoding and analyzing the data.

2.4 Research design - Hermeneutical circle

In this part of the project, the research design will be illustrated and explained. Figure 2 shows the Hermeneutical approach of this research.

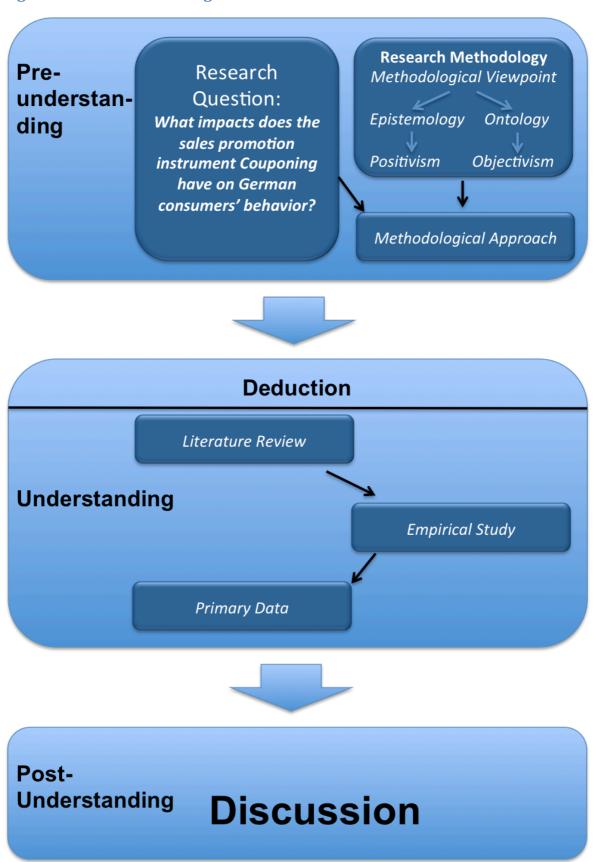
The process of understanding is separated in three stages. These are pre-understanding, understanding and post understanding. The pre-understanding stage is obviously the first stage being connected to the orientation of the researcher, which is dependent to his personal and/or professional experiences and gained knowledge which shape each individual. Arbnor and Bjerke (1997) stress the importance of a historical study of the organization of interest. The pre-understanding stage has been developed through personal experiences the researcher gained in the past in private, work and university life and includes the methodological viewpoint that has been considered in the epistemology and ontology part. Out of the research questions and research methodology the methodological approach has been developed.

Understanding is the second stage of the understanding process. Arbnor and Bjerke (1997) state that the development of understanding is dependent from the creator of knowledge and the actors. The deductive approach was chosen for this research paper and different theories will be tested with the help of primary data that will be gathered with the empirical study conducted.

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The last stage is known as the post understanding phase. In this phase, the theoretical understanding of the impacts of consumers' behaviour or perception on coupon redemption will be used to draw conclusions.

Figure 2 - Hermeneutical Figure



Source: own creation

3. Theoretical foundations

In the following chapter, the theoretical background for this project will be presented. This theoretical know-how will be seen as a basis for the self-completion questionnaire and its design and give the researcher a better understanding of the findings in the data analysis part later on in this project.

3.1 Defining the Key Concepts

The goal of this section is to create a well-rounded designation for terminology from multiple sources and interpretations. The key concept of Couponing was subjected to clarification. Coupon as term will be defined and its classification in the marketing mix will be shown in this chapter.

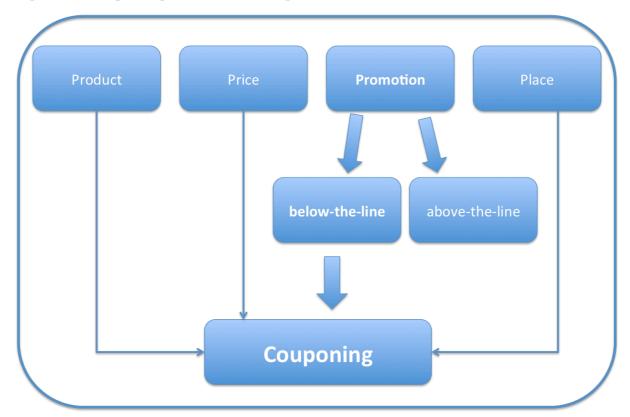
Literature classifies Couponing as one of the oldest and most effective sales promotion instruments (Blattberg & Neslin, 1990; Belch & Belch, 1995). One of the pioneers in processing coupon campaigns was Nielsen. Back in 1965 he defined coupons as a "document that entitles the holder to so many cents off on the purchase of a particular product." (Nielsen, 1965, p. 11). Lamb, McDaniel & Hair (2005, p. 546) see coupons as a certificate allowing the buyer to get a reduced price at time of purchase, while Yeshin (1998, p. 339) defines them as "sales promotion technique in which the consumer receives a voucher enabling a reduced price to be paid for an identified product." Kreutzer (2003, p. 6) defines couponing as a marketing technique where an issuer provides a medium (coupon) for a specific group of people (target group) who are able to redeem the medium within a certain time period at a defined point of acceptance to get a specific advantage. This definition already gives a broader understanding of a coupon. In this thesis the definition of Winkelmann (2008, p. 9) is used as he defines coupons in a very clear way facing all-important aspects:

"a coupon is defined as a broad marketing instrument in form of a printed or electronic voucher, which allows either a direct or indirect discount to be obtained if the redemption conditions of the voucher are met. In general, the voucher is invalidated when benefits are granted and can therefore only be redeemed once. The coupon understanding only includes benefits granted directly from the obtained coupon."

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In the following part of this section, it is demonstrated where couponing is classified in the 4 Ps. Couponing is assigned with below-the-line measures in the marketing mix (Gaiser, Linxweiler & Bruckner, 2005, p. 414). It is known as a form of sales distribution and is considered to be an instrument of Communication (Bauer, Görtz & Dünnhaupt, 2002, p. 1). From a larger point of view, coupons can be classified in all four fields of the marketing mix (product, price, promotion and place), nevertheless it is unquestionable that the focus must be on promotion. This is illustrated in figure 3.

Figure 3 - Couponing in the Marketing-Mix



Source: own creation based on Gaiser, 2005

Coupons are able to change the specific *product* range of a company, trough additions, bundles or additional services such as enhanced guarantees.

Coupons can influence the products' *prices.* Therefore it is possible to target prior defined specific customer segments.

In the field of *promotion* couponing can show all its benefits as well as the variety, whether through customer acquisition or customer retention of particular brands or products.

These particular strengths of the marketing instrument couponing can only be achieved if reaches the target audience, which is in line with *place* of the 4 Ps.

However, the basic principles of traditional advertising cannot be ignored. Therefore the AIDA-model will be applied shortly. The basic principles of couponing are to get the *attention* of addressees, to raise the *interest* and later on the *desire* for the advertised product or brand, followed by the triggering of an *action*.

3.2 History of Couponing in retail industry

From a historical perspective, Couponing as a marketing instrument is rather old, since it developed over the last centuries. One of the first companies that published coupons was Coca Cola. In the year 1884 Coca Cola began to spread hand-written coupons to consumers. With the help of these coupons consumers were able to receive a free sample of their newly introduced beverage (Hartmann, 2003, p. 113). In the end of the 1920s the intense usage of coupons started in the US since saving money was from high importance during that time and became more and more difficult for consumers (Becker, Vering & Winkelmann, 2003, p. 5). The 70s were the boom years, in which the volume of coupons almost quadrupled in the US (Collard et al, 2001).

In comparison to this success story, in Germany the marketing instrument of Couponing was not interesting for manufacturers and retailers until the turn of millennium, which means it is a rather young marketing subject in Germany. While trading stamps were used in Germany during the 1950s to stimulate the economy, they disappeared again in the 1960s due to legal regulations (Gedenk, 2002, p 173f.). After the period of exile as a result of the German Rebates Act (Rabattgesetz) couponing as a marketing tool to promote sales, was discovered again by manufacturers and retailers in mid 2001 when the abolition of the discount law, as well as the bonuses regulation, allowed the development of active pricing policies. Now, the German industry emulates America, where the coupon is omnipresent and has become indispensable from everyday life.

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3.3 Establishment of Couponing in Germany

The next section deals with the development of couponing in Germany and the current situation, which experienced a boom in recent years with the chase of the discount law in 2001.

3.3.1 Legal regulations and Status quo of Couponing in Germany

Two different laws set the legal framework for Couponing in Germany. These are called "Unfair Competition Act" (UWG) and "Data Protection Act" (BDSG) (Keller, 2003, p. 179).

Previously, until July 25th 2001, the use of coupons was regulated by the "Ordinance on Bonuses (ZugabeVO) and the "Rebates Act" (RabattG) in Germany. From a few exceptions the ZugabeVO prohibited encores as a form of an advertisement. In addition, law prohibited rebates because of undue influence on customers with only a few exceptios like cash discounts of 3 per cent (Gedenk, 2002, p. 33). Since these laws have been cancelled companies have various possibilities to use couponing and promotions, even though the conditions of the UWG are still in force (Keller, 2003 p. 178; Gedenk, 2002, p. 37).

According to § 3 "Verbot unlauterer geschäftlicher Handlungen" of the UWG apply specific requirements especially for the design of the coupon campaign in terms of the rebate, encores or other bonuses. Basically, coupons must not be excessively alluring, misleading, obscuring or opaque. (Keller, 2003, p. 179)

In Germany, information acquisition with the use of coupons must be done in line with Data Protection Act (BDSG). The consumer has to be informed about the nature, extent and purpose of the recording, processing and use of personal data. Moreover, for sensible data consumers have to give explicit approval. Furthermore, customers have to be informed about their right to refuse the use of their personal data for additional marketing/advertising activities. Moreover, the BDSG regulates the collection and dissemination of personal data. (Keller, 2003, p. 187 f.)

Facing the increased competition in retail trade, companies are challenged to extend market shares in order to remain successful. The density of retail companies in Germany

is remarkable. Although Germany has only a third of the population in comparison with the United States, there are at least 30.000 retail stores more than in the US. (Ploss, 2003, p. 29)

To achieve economically reasonable returns, it is necessary that retailers do not always undercut each other's prices with special offers. Merely observing and responding to competitive actions, or, if possible, the anticipation of actions, is not longer sufficient. The total information overload on the part of traditional media such as television and magazines is accompanied by a steady decline in advertising efficiency. Nowadays, increased advertising spending lead not necessarily to more sales, but they lead to higher costs definitely. (Kreutzer, 2007, p. 183)

To date, the retail industry is highly competitive. This leads to an intensified price battle with permanent rebates to which consumers already have become accustomed. Thereby society generates bargain hunters. In other words, a consumer buying decision is strongly influenced by special offers. These could be special prices, discount vouchers or loyalty bonuses on the basis of customer cards. Nowadays, all of these tools are indispensable for retailers (Hasty and Reardon, 1997, p. 549). Retailers try to influence consumers with the use of the prior stated methods and in fact, the tendency to spontaneous buying decisions increased during the last years. The willingness for all consumers to watch out for those activities in the store is about 80%. Nevertheless, according to the results of a trend study re-buys, which are understood as the purchase of products that have proven themselves in the past, are the most important factor. Already in second place, these are followed by promotional offers (Campillo-Lundbeck, 2007, p. 83). However, care should be taken when choosing the marketing activities, since these do not only have a purely short-term effect, but will pursue long-term goals such as an improved store loyalty (Gedenk, Neslin & Aliwadi, 2006, p. 348)

The latter, is of great importance given the prevailing cutthroat competition. Taking a look on the profit margins, German food retailers have the lowest margins in the EU, namely 1 per cent. In comparison, for example Tesco based in UK has a return on sales of 4 to 5 per cent (Fassnacht & Königsfeld, 2012). Some products even have to be sold under the stated acquisition price to counter the permanently low prices of competitors.

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Retail trading companies are trying to escape the constant price erosion with their own trademarks. In most cases these are located rather in the low price segment. This behaviour weakens the producers/manufacturers of branded goods since it can be difficult for them to sell their products at higher margins while facing higher advertising expenses as well.

One example for the pressure, which is constantly exposed to the German retail sector, is the failure of the elsewhere profitable US group Wal-Mart, which presence was never profitable in the German market in eight years (Manager Magazin, 2006).

To date, the retail chain Tengelmann faces the same problems as Wal-Mart in the past. It is planned to sell the unprofitable food retail business of Tengelmann to EDEKA, which is the biggest actor in the German food retail market. The German Federal Cartel office did not approve this deal yet. As mentioned above, the German food retail market is highly competitive. 85% of the total size of it are shared by only 4 actors (EDEKA, Rewe, Aldi and Schwarz-Gruppe), it is believed that a merge of Tengelmann and EDEKA would increase competition and market power even harder. (Deter, 2014)

In Germany coupons are used for more than one decade now and enjoy a good acceptance by consumers. Especially after the currency changeover to the Euro, consumers tend to get stronger price awareness due to a perceived excessive price increase in all product groups. This led to erratic active customers who try to always buy as cheaply as possible. Nowadays, this behaviour result in higher market shares of private labels as shown in the following figure, number 4.

Share in percent of private labels on retail sales in the years 2008 to 2013 in **Germany** 50, 40,8 40,1 39,2 38,7 38,4 38,6 40, 30, 20, 10, 0, 2008 2009 2010 2011 2012 2013

Figure 4 - Share of private labels on retail sales in Germany

Source: own creation based on Statista (2015)

The figure shows, that there is a constant growth of 2.2 per cent in total in the share of private labels from 38.6 per cent in 2010 to 40.8 per cent in 2013 during four years. As mentioned above, this development is a result of hard price competition that leads to diminishing returns and in the mid- respectively long-term to an adjustment in retail industry. In other words, in future the main retail companies will enhance their market shares even more. These priors mentioned retail companies are EDEKA, Rewe, Aldi and Schwarz Group. They would be the profiteers out of this development, which means that they extend their bargaining power over manufacturers or producers of products and squeeze other competitors like the earlier mentioned Tengelmann out of the market.

Keeping all these information in mind, it seems as the retail industry could get along well with the current situation. But the shift of customers from branded products to low cost private labels is a serious problem for manufacturers as well as producers. Since several years, customer clubs are seen as an appropriate tool to counter these problems and retain existing customers (Hart et al., 1999). How important regular customers are for a company shows the fact that it is five to seven times cheaper to retain actual customers in comparison to acquire new customers (Keaveney, 1995, p. 71).

3.3.2 Different Variations of Coupons in Germany

In Germany different variations of Coupons are available. Especially the discount, loyalty and gift coupons have proven to be coupon forms that are accepted by consumers. Discount coupons are primarily used for customer acquisition; since the price is reduced directly at the point of sale consumers have an immediately comprehensible benefit, which is instantly perceived. The loyalty coupon is used, as a customer loyalty tool by either points or a certain amount of euro that will be credited per purchase (Hard et al., 1999). After multiple purchases these points or credit can be redeemed in return for a refund or a loyalty gift. Furthermore, gift coupons are used. With those, loyal customers get the right to use certain services for free. In the case of so-called product vouchers a good is added to prior defined products, which could be either a product sample or a test product. Also product bundling with two identical or different types of products is used in Germany. These coupons are called "buy one, get one free" or "buy three, pay two!". (Albers, 2003, p. 128 f.; Raghubir, Inman & Grande, 2004))

3.3.3 Distribution of Coupons in Germany

The distribution via media is mostly non-personalized and coupons are widely distributed on all addressees. This is usually done through advertisements in newspapers and magazines, as well as brochures. This form of distribution allows almost no individualization and serves mostly as advertisements in connection with a coupon in order to increase the attractiveness of the advertisement. (Albers, 2003, p. 131 f.; Gupta, 2005, p. 355f.) The distribution with the help of mass media is characterized as a way in that the coupon is relatively untargeted and non-personalized distributed to consumers. By reaching large sections of the population it can be assumed to get acceptable redemption rates during the campaign. These are mostly in the low single-digit per centage range, but even at these relatively low values seen in absolute terms, the coupon campaign is often a success for its initiators. (Becker, Vering & Winkelmann, 2003, p.34) The most relevant cost factor when distribution is done via mass media is the cost per thousand. This is the cost for 1000 contacts with a coupon campaign in a target area. Off course this value varies according to the popularity of the used medium. Usually the cost for thousand contacts is between 5 Euros and 300 Euros (Berger & Ploss, 2003, p. 61). From an international perspective, the most common way of distribution is advertising inserts of newspapers, especially in USA. In Europe, it is Niklas Geisler Fourth Semester MSc. International Marketing
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different and advertising inserts do not obtain the leadership in coupon distribution. Multiple channels such as direct mail, advertisements in journals or newspapers, which are enhanced with coupons to cut or separate by consumers, are commonly used in Europe. (Berger & Ploss, 2003, p. 61ff.)

In contrast to this, the distribution of coupons can be done to a specifically targeted customer group or segment, which will be contacted via direct mail. Nevertheless, customers have to give their consent for such a mailing in advance. Since this causes a higher involvement within the target group, the response rates are expected to be higher using this mechanism of distribution in comparison to the above introduced. Most of these targeted sales approaches are chosen as a supplement to store cards or clubs. (Albers, 2003, p. 131ff.; Bawa, 1996; Gupta, 2005, p. 355) The distribution by direct approach requires a database with personal data on the consumers who have often an interest in advance in the advertised company or product. If no database is present, required data can be purchased from data brokers as well. Basically, both, manufacturers of branded products as well as commercial enterprises can use this instrument and it is usually operated in conjunction with a database marketing system. Manufacturers use this form of couponing to highlight the brand or a particular product. The annex of the letter contains a coupon that entitles recipients for a discount. Retail companies use such letters to take care of regular customers that are already stored in their system. The aim is to make former customers to think of an act of purchase giving a buying incentive at the same time by the insert of coupons. (Zipperer, 2003, p. 341 ff.)

In addition to the prior mentioned ways of distribution, coupons are often found in or on the product itself in order to reward brand loyalty of consumers. Mostly, sweepstakes or collection drives are used, where customers reveal personal data. A distinction is made between in-pack coupons, which are coupons that are located inside the packaging, and on-pack coupons that are located on the packaging. In Germany, the distribution at the point of sale is popular as well. This instrument is commonly used for new product launches, where coupons are usually distributed by a promotion team in conjunction with product samples and information directly on the point of sale or on the shelves itself (Albers, 2003, p. 131ff.; Gupta, 2005, p. 356). Therefore, devices are attached to the

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shelf alongside coupon-sponsoring brands. Consumers interested in purchasing a particular brand are able to pull a coupon from the device and redeem it when checking out. It is remarkable, that the average redemption rate of those coupons is just about 9 to 10 per cent (Shimp, 2010, p. 497). This is probably due to a lack of involvement and the simple convenience of many consumers. In addition, brand manufacturers use the possibility of insert of coupons in or on the packaging. This is done in order to stimulate customer to another purchase to increase brand loyalty. Another common approach is to trigger cross-selling effects that mean that products of the same brand out of another product category are advertised with these types of coupons (Berger & Ploss, 2003, p. 73ff.).

Moreover, electronic point-of-sale systems (ePOS or cash registers) are used extensively nowadays. These offer the possibility to print special coupons directly after the invoice output, which is called check-out couponing. This technique can be used at a very short notice in order to boost sale of goods (Schüle, 2007, p. 158 ff.). As these coupons refer to customers' scanner data they are also known as scanner delivered coupons. These can be based on the particular brands a shopper has purchased. For example, if the scanner records that a customer has purchased a competitor's brand, a coupon from the advertising manufacturer is dispensed. Since targeting competitors' customers the manufacturer ensures to reach people who buy the particular product category but do not currently purchase the manufacturer's brand. Another approach is to analyse shoppers purchasing behaviour over a longer period of time. Therefore, marketers have the possibility to deliver coupons only to consumers who satisfy the coupon-sponsoring manufacturer's prior set targeting requirements. In other words, this allows the coupon user to target consumers with respect to their purchase behaviour for a particular product or based on the amount of product usage. If a shopper satisfies the couponsponsor's requirements with his purchase, a coupon for the sponsoring brand is automatically dispensed for use on the shopper's next purchase occasion. Both introduced ways of checkout-couponing are used to encourage trial purchases or to induce retrial among those customers who have not purchased a particular brand over a certain amount of time. In comparison to the prior introduced instant shelf-delivered coupons the customer reward is delayed, since these coupons are distributed to **Fourth Semester**

consumers when they are checking out of a store and cannot be used until their next visit. However, these couponing methods based on cash registers' scanner data are effective and cost-efficient since they provide a way to target an audience carefully. Targeting is either directed on competitive-brand users or is aimed at shoppers who satisfy manufacturer's prior set product-usage or purchase behaviour requirements. (Shimp, 2010, p. 498)

In Germany, customers can draw benefits in the form of coupons from Internet websites as well. These websites are specialized in coupons and offer various types of it, which can be printed and redeemed by consumers at advertising partners.

3.4 Classification of Coupons

Coupons can be classified in the following different ways: By the type of benefits, the date of obtaining the benefit, by the degree of available information and by the type of acceptance points.

In general, cash- and bundling coupons must be distinguished from each other. The so-called discount or cash coupons are the most common ones and customers get the shown coupon value deducted from the invoice when the coupon is presented to the cashier at the cash register. The coupon value can be further broken down in product related, quantitative or special-offer discounts. If the rebate is product related, the discount is only granted to a particular product whereas the quantity-based discount is based on a certain amount of a product that has to be bought in order to receive a discount. The aim of the quantity-based discount is that consumers stock up with the advertised product in order to forestall a possible exodus to other brands. Subsequent to such campaigns it is not unlikely that the own product can suffer from sales decreases. For special offer discounts a certain purchase amount must be reached in order to get the coupon value deducted from the total mount of the invoice. (Berger & Ploss, 2003, p. 101)

The bundling coupon entitles consumers to a free trial of a product or service, usually in connection with the acquisition of one or more, same, or different, products to the regular price. These free samples of other products can be also referred to as cross selling to support the launch of a new introduced product. (Berger & Ploss, 2003, p. 55f.)

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In the context of when to obtain the benefit, a distinction can be made between pre-sales and after-sales coupons. The pre-sale coupons represent the majority and can be categorized into the traditional advertising instruments. These are distributed either broadly or specifically among customers and should trigger purchases. In addition, further distinction is made in the grant date of the incentives. Instant benefit coupons can grant the advantage immediately upon redemption, while deferred benefit coupons grant credit only subsequently. For example, this is done with loyalty points or credit on the customer account. After-sales coupons are distributed only after the act of purchase, as the name implies. This is done with inserts in packaging, as printed on the invoice or by delivery of an employee. To increase consumers' motivation to further store visits, benefits are promised if further purchases are made in a certain time frame. (Kreutzer, 2007, p. 183 ff.)

Coupons can also be used to get more information on its users. The majority of coupons is issued non-personalized. The so-called monologue coupons do not provide any additional information about its users. Thus, the optimization of coupon campaigns and target group analysis is nearly impossible. In other words, the merchant (point of acceptance) as well as the coupon issuer does not know whom they acquired as customers. Therefore, efficient performance reviews and improvements in terms of the target group selection and the coupon distribution cannot be done. (Kreutzer, Tempest & Strobel, 2003, p. 490)

In contrast to the latter, the dialogue-Coupon provides further information. For example, the coupon redeemers' origin and other data that might be important for future customer care and addressing. These acquired data result in valuable knowledge about customers' interests and build a basis for an effective CRM management. Nevertheless, this is only possible with coupons that promise a high incentive since consumers behave carefully in general in the disclosure of personal information. (Kreutzer, Tempest & Strobel, 2003, p. 490) Nowadays, Mail-in coupons are seen rarely as they require a high customer involvement. Producers do not commonly use this option. A copy of the invoice is sent to the manufacturer in addition to the coupon received on the purchase and later the customer receives a reward. This mechanism offers manufacturers the

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possibility to gain information about customers that bought these branded products. (Berger & Ploss, 2003, p. 77)

3.5 The Couponing Process

For implementing a coupon campaign successfully, it is necessary to define certain processes in advance. The starting point is always the strategic goal, which clarifies what objectives should be reached with the marketing action. For coupon campaigns this usually is customer acquisition, increase in sales or care taking of an existing customer base. In addition, cross selling can be a target of such a campaign in order to convince existing customers of a brand of products out of another product line. (Ngobo, 2004; Berger & Ploss, 2003, p. 147 ff.)

After setting these strategic aims, the analysis of the target segment can be done. Followed by the choice of coupon type and its distribution and design. Subsequent to the campaign the coupon clearing is by a so-called clearinghouse or in-house and a response-analysis are done in order to measure the success of the advertising campaign. (Lorenz, 2003, p. 211 ff.)

3.5.1 Analysis of the target segment

Analyzing the target segment carefully is crucial for the success of a coupon campaign. There is a need to define the target segment. In other words, if the coupon is distributed to each household in a certain geographic area or just to the existing customer base is a major difference and should be defined. The definition of the target segment is from importance in relation to the design and distribution of coupons, since peculiarities can be reflected. (Kreutzer, Magedanz & Krüger, 2003, p. 281f.; Price, Feick & Guskey-Federouch, 1988;)

Aim of the segmentation of target groups is to select the most appropriate media to reach the target groups as completely as possible in an economically efficient way. Therefore, it is not just about the high range of a carrier medium it is more about the reach within a certain target segment. To examine the target group affinity of a carrier medium, it is necessary, to organize the different target groups with the help of demographic criteria.

3.5.2 Choice of Coupon type

The next step is to specify which aims should be reached with the coupon campaign. For increasing sales discount- or bundling-coupons are suitable. In this connection products are sold cheaper or with a free gift. This is proper for product launches or customer acquisition. For the reactivation and care of customers out of the past, personalized coupons have advantages since these can be individualized to prior purchase behaviour if these data has been collected in the past. Moreover, it is possible to address customers in an effective and targeted way. (Berger & Ploss, 2003, p. 81ff.; Bawa, Srinivasan & Srivastasa, 1997)

If it is clarified which target group should be reached with the campaign, the type of coupon can be chosen. With a distribution via mass media or through brochures points of acceptance must be informed and should provide a guarantee of acceptance and processing. If personal data of the target group is available, the coupons can be sent via direct mail. If customer acquisition is the major aim of the campaign, a dialogue coupon can be used in order to obtain personal customer data that must be provided by addressees before coupon redemption.

3.5.3 Choice of Coupon design

To draw attention to the issued coupon, it is necessary to deal with the cognitive processing of individuals. It is assumed that consumers consider only a maximum of two per cent of the information spread by mass media (Hoyer, MacInnis & Pieters, 2003, p. 197). This information overload requires a careful selection of coupon designs.

In order to make a consumer deal with something in greater detail, it is necessary to get his interest first. This involvement needs a trigger in addition to set an action. An already established corporate identity helps to trigger such an involvement in consumers' minds. Therefore the coupon design should be based on the corporate design to enable rapid association with the company pursuing the marketing activity. In general, five rules for coupon design can be formulated (Berger & Ploss, 2003, p.

- The advertised benefit should be clearly visible
- All information regarding the offer must be clear and easy to understand

205f.; Weitz & Beasley, 2002, p. 327f.; Bawa, Srinivasan & Srivastasa, 1997):

- Pictures help consumers to understand. Therefore, it is important to ensure that a picture of the advertised product is printed on the coupon
- Publisher and points of acceptance should be clearly visible
- Contrast creates attention. The coupon must be clearly distinguishable from the rest of the page; a dotted line can help here

An example of a coupon that fits all the rules is shown in the figure below.

Figure 5 - Example of a Coupon



Source: advertisement of Dr. Best (2015)

3.5.4 Choice of Coupon distribution

The choice of the way of distribution is related to the target segment. If a coupon from high value is distributed to an exclusive target group, personal direct mails are effective. In addition, redemption rates are 10 to 20 times higher using personal mailings in comparison to conventional distribution methods as mass media for example.

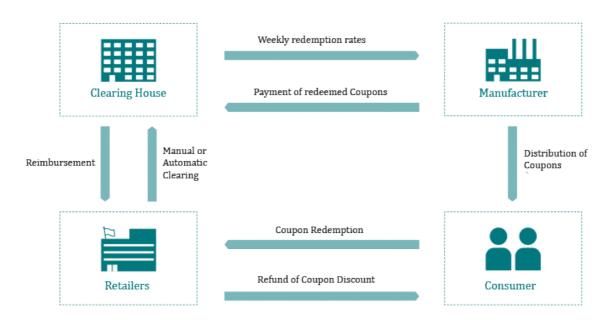
When distributing coupons via mass media each step within the process needs to be investigated in order to prevent any mistakes or discrepancies. There are many things that can harm the success of a coupon campaign. For instance, the design of the EAN code can be chosen in an inadequate way and the scanner cannot read the barcode correctly. For potential users, this ends up in a coupon that cannot be redeemed. The distribution via mass media has another advantage. Through targeting more people partners can be easier convinced to participate in the campaign. It is favourable to use coupons in mass media since coupons that are part of a print advertising in mass media, increases the attention as well as the effectiveness of the advertisement. (Berger & Ploss, 2003, p. 208f.; Beck & Jastorff, 2003, p. 385 ff.)

Another way of spreading coupons is the distribution on the point-of-sale. This can be done by promotion teams or directly at the shelves in stores with the help of a shelve-dispenser (Shimp, 2010, p. 497; Albers, 2003, p. 131ff.; Gupta, 2005, p. 356).

3.5.5 Couponing cycle

Several companies are involved in implementing a couponing campaign and each actor fulfils different functions in the process. If a company decides to use coupons as a sales promotional instrument there is usually the need for coordination with trading partners, where consumers will redeem the coupons. The principal of a coupon promotion is legally and financially responsible for the campaign. He is also responsible for the rights, which are granted with the coupons to consumers. In particular, the issuing company assumes the costs that are directly associated with consumers' redemption of the coupons (eg product sample, discounting, product sample). Therefore the principal of a coupon action is known as coupon publisher. Brand manufacturers often act as publishers who want to influence consumer behaviour with the aim on buying one of their products (manufacturer coupons), but it can also be trading companies (traders coupons) or service companies (service coupons) who are the publishers. Moreover, there are jointly initiated actions. When planning and designing the coupons a coupon publisher may contact third parties with expert knowledge such as advertising agencies and clearing houses. Clearinghouses are needed when it comes to the financial regulation between coupon publishers and retailers. An essential prerequisite for the success of a coupon promotion is the close cooperation and the permanent exchange of information between manufacturers, retailers and the clearing house (Shimp, 2010, p 546ff.). The following figure illustrates a typical couponing process.

Figure 6 - Typical Couponing Process



Source: own creation, based on PROZEUS, 2011, p. 17

A clearing house is a center of expertise that supports the participating retailers and manufacturers in coupon campaigns, for example, in the conception of coupon campaigns through to the analysis of sales data. The core function of a clearing house, the so-called clearing, is on the one hand to grasp the coupons redeemed and evaluate them and, secondly, to regulate the financial claims between producers and distributors. Clearing houses have arisen out of the necessity to simplify the settlement of coupon campaigns among stakeholders. (Shimp, 2010, p. 547) Although the settlement of a trading company and a manufacturer is still manageable, in practice arise a variety of communication relationships, as a producer on the one hand cooperates with various trading companies and, secondly, various manufacturers supply any commercial enterprise. Therefore, the complexity of a coupon promotion is decreased through the involvement of a clearing house. There are a variety of clearing types due to different technical and organizational requirements of trading companies. So the choice of clearing type depends very much on what POS the trading company uses and whether they use centrally connected systems. Used clearing types are divided into manual,

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automatic and semi-automatic clearing. They differ in the preparation of POS systems, in the redemption of coupons at the cashier and in the transmission and acquisition of coupon information to the clearing house (PROZEUS, 2011, p. 11).

When clearing is done manually all process steps between the clearing house and retailers take place manually. No or low investments in POS hardware and software for manual clearing are necessary by retailers, since there are only low demands regarding the POS system. A scanner checkout is not required (Becker, Vering & Vinkelmann, 2003, p. 25) In comparison to the automated clearing after coupon redemption there is increased manual effort during the checkout process and in the downstream billing processes in the market as well as at the headquarters. The cashiers decide upon acceptance or rejection of the coupon and manually record the coupon value as a discount in the cash register. This means the cashiers have to check whether the coupon is redeemed within the validity period and if the customer bought the advertised product. The retention of the coupons redeemed in the store is imperative during manual clearing as these serve as a refund voucher towards the industry. Thus, coupons are equivalent to cash for the retail company. After collecting the coupons the retailer sends the coupons by mail to the clearing house in order to get the discounts refunded (PROZEUS, 2011, p. 12).

To use automatic clearing, a special software extension of the POS system is required. This software allows after the coupon is scanned, the automatic processing of the coupon at consumers' checkout. The software accesses so-called cash drawer files that are provided by the clearing house. The distribution of the cash drawer files to the POS systems can be done directly through the clearing house to the outlets or indirectly via the servers of the retailers' headquarters. The cash drawer file contains all necessary information of redeemable coupons, such as discount amount, VAT rate and amount and characteristics of the product to be purchased. In automatic clearing the cashiers scans the printed EAN barcode on a coupon as it is a regular product. The verification of the coupon including validity and acquisition of the coupon value are done automatically by the POS system. The data is stored in the cash register and will be sent electronically to the clearing house. For this data transfer, the existing data links between the outlet and

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the data center of the retailers' headquarters can be used. Using this procedure it is impossible to redeem coupons incorrectly. The clearing house can evaluate the data without additional effort (PROZEUS, 2011, p 12).

Furthermore, there is a third clearing technique known as semi-automatic. These are clearing species that are not fully automatic, but also do not run entirely manually. The characteristics of the semi-automatic clearing are very different. In other words, the condition check at the cash register can be done manually, while transferring the coupon data to the clearing house is done electronically (Becker, Vering & Winkelmann, 2003, p26).

Which clearing type is chosen, is dependent on the capabilities of the respective POS system. However, other criteria should be considered when choosing the clearing type as well. The most relevant are shown in the following table 3.

Table 3 - Comparison of Manual and Automatical Clearing

Manual Clearing	Automatical Clearing		
+ used in markets without a scanner	- scanner cash and data connection to		
checkout	headquarters is a prerequisite		
+ low investment	- larger investment		
- delay of the payment process	+ easier conversion of per cent discounts		
- great handling costs	+ fast handling at checkout		
+ lower preparation effort at producer	+ fast reimbursement of rebates to the		
	dealer		
+ simpler sign of goodwill towards	+ dayli analysis		
consumers			

Source: own creation based on PROZEUS, 2011, p. 13

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3.6 Future developments in Couponing

Mobile couponing is one of the hot topics. In the US, mobile couponing has become indispensable, in Germany it has not yet been established alike. The technology has been used more sporadically, but with an increasing trend. According to a study by acardo and LB Lab 67% of respondents say they are interested in mobile couponing (acardo/LB-Lab, 2011, p 3). This acceptance can be found even in recent coupon objectors. In particular, multi-person households show a heightened interest in mobile couponing. A study of Coupies GmbH, which was created in 2010, shows that even decision makers in advertising, marketing and media agencies see high added value in mobile couponing. The study reveals that mobile coupons can influence consumers' purchasing behaviour very positively in the opinion of the experts. Moreover, 77 per cent of respondents see in mobile coupons a great way for the retail outlets to take advantage of the growing importance of the mobile Internet (Coupies GmbH, 2010). But how does mobile couponing work? The customer receives coupons on his cell phone and shows them when paying at the cash register to the cashier. The coupon can be send via SMS or e-mail, but it can also be downloaded via mobile portals or an application. Afterwards, a one- or two-dimensional barcode or a numeric code appears on the screen of the smartphone. The cashier scans this code. (Brand, 2011) Mobile couponing offers new possibilities for efficient and customer-friendly processes because coupons do not have to be cut out and collected. However, a prerequisite is that the customer is open to these technologies. Advantages of mobile couponing in comparison to conventional coupons are various. For instance, the communication between the issuer and consumer is much easier. In addition less costs incurred and the results of a promotion are promptly available and can be evaluated more quickly. Furthermore, companies have the option of personalization and location-based communication via mobile couponing. According to the prior cited study of acardo and LB-Lab, companies issuing mobile coupons are perceived as innovative and customer-orientied by consumers. On the other hand there is room for improvements in mobile couponing. Existing POS systems must be updated in order to make coupons redeemable for consumers and measureable for companies.

3.7 Effect of Coupons

For consumers coupons are an immediate discount whether materially or monetary, when purchasing an advertised product. The bigger the savings are and the more the coupon fits the consumption habits of an individual consumer, the more interesting the sales promotion is for the consumer. Therefore, it should be ensured that the coupon value is stated in absolute terms since consumers will perceive it more like cash. (Berger & Ploss, 2003, p. 100)

3.7.1 Short-term effects

Couponing can be categorized into short term marketing activities since such campaigns can be realized and integrated in print media fast (Ploss, 2003, p. 49). This is a great advantage of couponing. To be able to react quickly to competitive actions or occurring at short notice trends can lead to competitive advantages (Baumann & Rohner, 2003, p. 77f.). Therefore, couponing is mostly used for increasing sales of selected products or services in a prior given period. If these short-term marketing campaigns are planned carefully and monitored accurately an effective performance review is easily possible afterwards. Moreover, they are suitable to favour brand or product switching due to trial purchases (Narasimhan, 1984).

Coupons can take a major role when releasing a new product. The awareness among consumers can be raised and it enables customers to gain first experiences with the product itself without having to pay the full price when it is introduced. This could lead to a long-term costumer relationship. The conservation of such a relationship through the use of coupons is the topic of the following section and will be discussed in there in more detail. (Berger & Ploss, 2003, p. 169)

3.7.2 Long-term effects

Customer loyalty has the priority in long-term measures. Through regularly distributed and personalized coupons, consumers should get the feeling that the advertising company is always concerned about the welfare of the individual. This approach is even more relevant, if the Pareto principle is taken in consideration. This principle indicates that 20 per cent of customers generate 80 per cent of sales. Focusing on this customer segment can help companies to increase their value sustainably with the use of diverse

marketing methods or instruments. To try to strengthen customers' brand loyalty is from high importance since it offers the chance to create loyalty to a certain product or brand which means that customers do not change to products or services offered by cheaper providers. If a consumer who migrated to a cheaper product due to economical reasons has recovered financially, it does not necessarily mean that he will fall back to the higher-priced product since there is a high chance that he already got used to the more favourable brand (Berger & Ploss, 2003, p. 102). In addition, it can be observed a sustained increase in sales volume even after completion of the action in coupon campaigns. In classic price cuts, however, the sales volume quickly returns to the same levels as before the action. However, a research gap could be identified during the literature review. There is little research to the long-term effects of couponing as a sales promotion instrument.

3.8 Pro's and Con's of Couponing

The following chapter deals with the advantages and disadvantages of couponing for all stakeholders / actors in regards to couponing as a marketing instrument.

3.8.1 Advantages and disadvantages for retail industry

Disadvantages that many companies assess are the costs incurred by couponing campaigns. Through intensive use of couponing in Germany a system comparable to the one in the US could arise, where in larger branches usually one or more persons are employed with the detection, evaluation, collection and dispatch of coupons. This service costs 8 cents per coupon when clearing manually (Berger & Ploss, 2003, p. 90). But having in mind the German wage level, such a system would be unthinkable. The most cost-effective option would be to use existing technical facilities. Therefore the coupon must provide a barcode, which can be directly scanned by the cashier at the cash register. This ensures, that the coupon can be processed automatically by the system and sent for post purchase analysis to the clearin house. For the clearing, the so-called analysis and billing, an external provider is mostly commissioned, which already has the necessary know-how in dealing with coupons and can work more efficiently through the economies of scale that occur. The conception of how the coupon campaign should look like in the end is subject to the publisher. Thus, it should always be in line with the corporate identity of the principal. (Steverding, 2002)

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Coupons are used primarily from manufacturers to achieve frequency increases in the individual branches and to acquire new customers, or regain former customers that migrated to cheaper products that fulfil their needs. These higher customer frequencies should result in increased sales even in non-coupon-advertised product categories. In other words, this should lead to cross-selling effects. These revenue increases are especially more positive for retail groups as coupons that are issued by manufacturers usually provide price reductions, which are mostly borne by the manufacturer itself. As result, this means that margins remain constant for retail groups. (Berger & Ploss, 2003, p. 93) Compared to normal discounts, coupons have the advantage that the discount is only granted to those selected customers who obtained and used the coupon. Since the advertised product is not only purchased by coupon holders a high number of customers will continue to pay the normal price while purchasing the product. The following, selfselected example demonstrates the advantages of couponing actions in comparison to conventional discounts. It is believed that in a general price reduction of one-third, like in a bargain offer, the turnover increases by 50%. At the same time, it is believed that a couponing campaign will increase the turnover around 40%. Since all customers at general rebates pay the discounted price compared to the ones that pay the regular price the turnover would have remained the same for both. Taking a closer look on a couponing campaign some of the buyers would pay the regular price, thus at a 40 per cent increase in sales, a total turnover of 16.000 € would be possible compared to 15.000 € euros in an ordinary price reduction would be possible.

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The following table, number 4, shows the comparison of a conventional discount and a couponing campaign.

Table 4 - Comparison of a conventional discount and a coupon sales promotion

	regular price	discount price	couponing	
			campaign	
Price in €	3,00	3,00	3,00	
Price discount in €	0,00	1,00	1,00	
Discount price		2,00	2,00	
Number of buyers	5.000	0	2.000	
at regular price				
Number of buyers	0	7.500	5.000	
at discount price				
Total buyers	5.000	7.500	7.000	
Total turnover in €	15.000	15.000	16.000	

Source: own creation

Another advantage that must be mentioned is the increase of the total volume of purchases as well as the overall consumption by clients. For instance, multi-buy coupons known as "buy two –get one for free" give customers the possibility to receive an extra piece for free after purchasing a certain quantity of a product. This also ensures a relief of stock, especially for seasonal products or goods that are close to the best before date. Otherwise these products would be returned to the manufacturer or would be destroyed (Brand, 2003, p. 60).

To sum up coupons are an interesting marketing tool for retail industry. They are able to increase the frequency customers visit retail outlets as well as the quantity of products they purchase without diminishing margins. In other words, these price reductions are often refunded by the manufacturers themselves this means, that the margin will remain constant for retailers. Moreover, coupons can be a significant contribution to customer relationship management. Companies are able to reward customers for their loyalty with coupon booklets sent to them via direct mailing using their personal data.

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However, excessive coupon usage could result in customers that just buy in stores wherein they can find the product they need coupon-discounted. The costs of a couponing campaign cannot be neglected as well, especially these of the distribution and processing. Nevertheless, redemption rates are in poorly planned campaigns extremely low, which mean that a conventional discount may have been the better option and would have led to higher turnovers (Steverding, 2003).

3.8.2 Advantages and disadvantages for manufacturers

Coupons offer a great advantage of a direct promotion for a particular product of branded goods. For this reason, the manufacturers stimulate sales mostly by funding couponing campaigns. Keeping in mind, that over 60% of all purchase decisions are made directly at the point of sale, customers can be influenced positively their decision making process before the purchase for a particular product or brand through coupon usage (Brand, 2003, p. 60).

In order to promote sales of a product sustainably, it is suitable to contact a selected group of customers. This type of communication requires high data quality as well as a coupon offer that is based on previous shopping patterns of customers (Berger & Ploss, 2003, p. 99). These data have been collected from an in the past established customer relationship management, with the consent of the participating customers to personal mailings. (Berger & Ploss, 2003, p. 100).

Another advantage of coupons is the sustainability of the advertising effect in sales. The fact that a couponing campaign creates a higher interest in the advertised good, many new consumers will buy this product again in future if they are convinced and the product is from high quality. These effects may be increased in conjunction with a customer loyalty program in which coupons are sent regularly to customers (Kuhfuß, Kreutzer & Hartmann, 2002, p. 26).

Coupons also contribute to maintaining the perceived subjective value of goods and offer the opportunity to prevent product-related price erosion by maintaining the original price and a benefit for customers is conferred only upon presentation and redemption of the coupons (Kreutzer, 2007, p. 190). Since periodic discounts generate

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the risk that the reduced price is recognized as the new standard price in the minds of consumers. Therefore it might happen that the original price will be considered as "too expensive" in future and customers will only purchase the good when it is price promoted (Berger & Ploss, 2003, p. 102).

It should be noted that a couponing campaign incurs considerable costs for branded good manufacturers since the coupons do not only have to be distributed but also the clearing has to be paid by them. Furthermore, the producers support the discount value in most cases, which means they pay the full gap between original and discount price level (Berger & Ploss, 2003, p. 94).

3.8.3 Advantages and disadvantages for consumers

The major benefit of coupons for potential coupon users is to safe money. Therefore, it can be deduced from experiences that discount affine people generally prefer coupons in comparison to people that do not care much about special offers or prices. In other words, bargain hunters are more willing to use coupons than others. (Bidmon, 2003, p. 166) In addition, coupons favour consumers willingness to switch brands or products and are seen as a tool that support trial purchases. In other words, coupons trigger consumers to test products that they do not buy usually (Narasimhan, 1984).

Another advantage for consumers is that they can benefit from customized offers when couponing is embedded in a customer loyalty programme. Often individual coupons for customers are designed on the basis of past purchases, or from data collected with the help of surveys directly from loyalty programme members. Therefore, it is possible to send special offers according to the individual needs of the customer via direct mail to the addressees. Since consumers get only those coupons for goods that they are potentially interested in there is a higher chance that the distributed coupons will be redeemed. For example, for a family with small children who often buys baby accessories, a coupon for discounted diapers would create real value for them and the chance that this family would use the voucher would be increased. (Berger & Ploss, 2003, p. 99)

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Coupons provide a lot advantages for consumers, but off course there are drawbacks as well. For instance, some coupons must be cut or severed from magazines or print advertisements and off course in the end, redeemed when shopping. Not all customers are ready to take this burden, being involved so far. Furthermore, it can be annoying when the coupon was left at home or cannot be found at the cash register while being in a hurry. In comparison to this, a conventional price discount does not face these barriers and is available for every single customer. In addition, an increased use of coupons could lead to a decrease of previous conventional discounts. This would lead to a disadvantage for certain customer segments, like people that do not have the time to look for coupons. (Berger & Ploss, 2003, p. 96f.)

3.9 Determinants and Psychological factors of coupon usage

For decades, the use of coupons is subject of examinations in the US for psychologists and psychological-oriented market researchers since they want to analyse the observable behaviour in coupon use to draw conclusions for improvements of the marketing instrument of couponing. In addition, research objectives are customers' feelings, experiences and thoughts in dealing with coupons. (Bidmon, 2003, p. 159 ff.)

- What factors hinder or promote coupon redemption?
- What psychological factors play a role in dealing with coupons?

Since psychological factors of coupon usage in Germany were examined very little US research results will be used as a starting point for this thesis. Consumers in central European consumers have entirely different consumption behaviour in comparison to US consumers in regards to the experience with coupon usage or to a completely different developed advertising environment. The most important factors that determine coupon redemption are demographic factors, the type of distribution the coupon value itself and the environment in that the coupon is distributed. (Bidmon, 2003, p. 162 ff.)

Demographic factors can almost always be used to identify typical user profiles. Thus, research shows, that women are generally more price conscious and also more receptive to marketing actions, which also include couponing. In addition, levels of household

income or education can be the basis to target different segments. (Blattberg et al., 1978, p. 376 f.) It should be noted that some results are contradictive in terms of a clear correlation of demographic data and coupon usage behaviour. Thus, studies can only offer a certain framework (Mittal, 1994, p. 543).

Research conducted in the past observed that not everyone reacts same to the individual characteristics of a coupon. To obtain a more accurate picture of it, it is advisable to separate the users in three audience segments. Divided into "easy couponers", "coupon chasers" and "picky couponers" these three groups can be differentiated in terms of brand and distribution. The "easy couponers" are not particularly picky with the brand and want to save money easily and quickly with coupons, without comparing many prices. In contrast, "picky couponers" are very concerned about the brand. The "coupon chasers" can identify much stronger with the image of intelligent consumers, for them the benefits of coupons play the biggest role, even if these coupons are harder to obtain. (Ramaswamy & Srinivasan, 1998, p. 65 ff.; Bidmon, 2003, p. 162 ff.)

Early researches about couponing simply reported demographics of professed coupon users, but these did lack in their theoretical grounding and therefore were criticized. Coupons have been a research topic for numerous studies in the past. Nowadays, two streams of coupon research have evolved in literature (Mittal, 1994). The first stream aims on the aggregate modelling of the effects of coupon characteristics such as coupon face value, expiration date and distribution volume on redemption (Ward & Davis, 1978; Inman & McAlister, 1994; Neslin, 1990). The other stream focuses on coupon redemption in terms of individual consumer variables including demographics, for example income, age, education or household size (Teel, Williams & Bearden, 1980). This study seeks to be in the second category. Therefore it is necessary to get a deeper understanding of psychological constructs such as those relevant to cognitive structures related to purchase behaviour. Therefore, it is necessary to introduce some descriptions of key studies related to individual consumer coupon behaviour.

In order to get accurate results for coupon usage, it is necessary to analyse psychological variables. These could be consumers' general attitude towards coupon usage or coupon

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proneness (Bidmon, 2003, p. 159 ff.). Coupon proneness is defined as a higher propensity to react to a purchase offer because the form of the purchase offer positively affects purchase evaluations. (Lichtenstein, Netemeyer & Burton, 1990) Moreover coupon prone consumers have an inherent desire to use coupons which means that coupon proneness can be regarded as a more affective-orientated motivation to use coupons (Swaminathan & Bawa, 2005). In general it is believed, that every consumer has a proneness to save money and therefore to couponing. Thus, coupons seem to stimulate or trigger purchases. This interest in coupons can be further differentiated in the type of coupons, since certain customers prefer one type of a coupon to another one.

Prior, it was mentioned that according to Mittal (1994) that demographics are unsuitable to profile coupon users. Mittal integrated demographics with consumer perceptions related to themselves in general (such as perceived financial wellness, higher level of satisfaction or busyness), as a shopper (comparison shopper, brand loyalty and store loyalty), and their assessment of their costs and benefits using coupons. The Theory of Reasoned Action and utility maximization built the foundation for Mittals and other studies (Bawa, Srinivasan & Srivastava, 1997; Fishbein & Ajzen, 1975).

In order to describe the behaviour of consumers in a model, the "Theory of Reasoned Action" may be apportioned to the topic of couponing. Here, the intention to redeem a coupon is influenced by subjective norms and attitudes of the redeemer. Furthermore, it represents the behavioural control that describes a person's attitude towards the control of his or her own behaviour. In other words, coupon use is a "rational, systematic, and thoughtful behaviour" (Shimp & Kavas, 1984, p. 795). This will depend on internal resources such as knowledge and skills of an individual as wells as external resources as money and time. In addition, Pointer (2001) introduced experience as a factor. Thus, a better prediction of coupon usage is possible. This shows, that the use of coupons is not completely under deliberate control and with increasing use leads to an increased acceptance by shoppers. (Bidmon, 2003, p. 167 ff.) This model is shown in figure 7 on the next page.

Figure 7 - Factors that influence Coupon usage

Source: own creation, based on Pointer, 2000, p. 9

Another approach to explain coupon use is done using cost/benefit/utility perspective (Bawa & Shoemaker, 1987; Narasimhan, 1984). In regards to this, the general idea behind this approach is that the costs of using coupons must be counterbalanced by the benefits gained with them. However, there is growing evidence that there might be more than rational economics to the decision to use coupons. For instance, Brumbaugh & Rosa (2009) found in their research that "consumers perceived discrimination and hold misperceptions of what cashiers believe of them that affect their confidence over coupon use or make them feel embarrassed for using coupons.," in the end, affecting the level of coupon use of customers (Brumbaugh & Rosa, 2009, p. 356). Another study examined by Dhar & Hoch (1996) came up with the result that coupon use may be limited by fear of negative evaluation from others, for example as being seen as cheap. Regarding to these findings, it might be favourable to use resultant smart shopper feelings that stick to selfconcept and self-efficacy as a better predictor of coupon use than utilitarian models. Therefore, Clark et al. (2013) adopted Thaler's (1985) acquisition-transaction utility theory. Lichtenstein et al. (1990) used Thaler's theory to explain both economic and personal satisfaction motives of coupon use. Therefore, following the acquisitiontransaction utility two different types of utility are associated with consumer purchases.

First, acquisition utility deals with the economic gain or loss relative to need-satisfying properties of the good. Second, transaction utility aims on pleasure or displeasure connected with financial terms of the deal compared to the internal reference price. Since this internal reference price is variable for each consumer, sometimes a heuristic that is used by consumers is that if a coupon is used, they made a great deal owing to the coupon use alone. For this behaviour evidence have been found for self-perceived bargain shoppers for rebates as well (Ong, 2008). The three major motives for consumer coupon use are price/saving, time/effort and pride/self-satisfaction (Clark et al., 2013; Babakus et al., 1988). These three motives are represented in the conceptual model in figure 8.

ACQUISITION UTILITY Satisfaction/ Pride Offline Coupon Use Time/Value Coupon Proneness FRANSACTION UTILITY Price Consciousness Online Coupon Use Value Consciousness

Figure 8 - Conceptual model of primary motives for consumer coupon use

Source: Clark et al., 2013, p. 192

Deriving the model from transaction-acquisition utility theory, each antecedent of coupon usage is well represented in the model. In detail these are acquisition (time value, price consciousness, and value consciousness) and the transaction (satisfaction/pride, coupon proneness) utility elements.

4. Couponing as part of Customer Relationship Management

Despite that coupons are used primarily for short-term increases in sales they are used as an instrument in terms of customer relationship management. In the beginning, this chapter introduces basic facts of customer relationship management (CRM) in order to backup knowledge that describes the efficiency of coupon usage in terms of CRM afterwards. (Berger & Ploss, 2003, p. 85f.)

The relationship marketing deals as opposed to transaction-oriented marketing field, in which it comes to the initiation of individual transactions, with the management of customer relationships. In this sense, a Customer Relationship Management (CRM) covers all measures of analysis, planning, execution and control, as well as the initiation, stabilization or resuming a relationship with customers (Winkelmann, 2010, p. 350f.).

In the German retail sector, customer relationship management programs found a wide distribution in recent years. Loyalty cards in conjunction with scanner cash registers and databases provide detailed information about individual customers. These data can be from high value (Rossi, McCulloch & Allenby, 1996). Most of these loyalty card programs are linked to a customer loyalty programme. This means that purchases with loyalty cards are stimulated by incentives that customers receive. In the literature there are numerous references to the impact of these programs. However, so far the actions of individual complementary measures, such as coupon actions as part of these loyalty programs were hardly examined by researchers (Lewis, 2004; Heerde & Bijmolt, 2005). As the most important objective of all CRM measures the change in customer behaviour can be considered. The provider is trying to influence through appropriate measures, customer relationships and customer behaviour in a way that they will be profitable as possible within the framework of CRM. Therefore, this customer loyalty is often regarded as a central aim of Customer Relationship Management in general. Personalized and individualized coupons are a special measure in terms of CRM still underlying the same overall aim of an increased customer loyalty (Berry, 1995). Measures that provide information about the individual addressed customers such as preferences or trailing behaviour are often considered to be particularly suitable to promote customer loyalty to companies (Simonson, 2005).

In general, CRM-tools can be differentiated according to their contribution to the customer relationship (Leenheer, 2004; Berry, 1995). Berry distinguishes between, price incentives, social incentives and solutions to customer problems. While the problem solving is rather relevant in B2B context and seems to be impossible to transfer on retail businesses with its customers, the other two levels, economic and social benefits are relevant (Leenheer, 2004). Coupons can be generally classified as a tool of CRM. Personalized and individualized coupons as a tool of CRM in this case have both a social (personal communication, possibly favouring by differentiated discounts or design) as well as an economic component (coupon value) (Schusser, 2003).

Kuhmar and Shah (2004) distinguish between two types of rewards as part of customer loyalty programs. Type 1 is directed in the same way to all customer cardholders, while the company uses type 2 specifically. While type 1 reward all current and past purchases of customers cardholders, for example, through the credit of bonus points, Type 2 is aimed only to selected customers and will affect in particular future behaviour and attitude-based customer loyalty. While competitors can easily mimic rewards of type 1, the rewards of type 2 are not directly visible and therefore these can provide a competitive advantage (Kumar & Shah, 2004). Here, personalization and customization represent key design elements of the rewards of type 2.

Within the framework of CRM programs, sales promotion tools can be used to influence the relationship with customers. However, customer loyalty systems must be distinguished in ever granted "usual" discounts for purchases, including sales promotions, and coupons used as sales promotions that grant in a certain defined period for multiple or additional discounts. Therefore, in this research, coupon activities are understood as sales promotion campaigns that can be part of CRM programs.

The advantages especially for personalized and individualized sales promotions can also be seen in the following areas:

• Minimizing wastage: The coupons can be distributed selectively to existing customers. So the promotion in reference can be planned and scattered on

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certain retail outlets, as individual customers of retail outlets can be targeted. Another advantage for the merchant is that only you have written customer can redeem the coupon, whereby the accuracy of the offer is assured and less wastage incurred.

- More precise and more targeted information extraction through its own customers because individual responses can be recorded and evaluated if an individualized barcode is used on each coupon. In addition, coupon value variation allows the identification of coupon elasticities. Therefore, measures can be designed more efficiently (Berry, 1995).
- Precision of target tracking. For example, new customers and existing customers can be addressed specifically and separately with different measures.

However, these advantages must be set in context with the higher cost of personalized and individualized promotions. Within these, production and distribution are more complex than in other promotions (Neslin & Shoemaker, 1983). Technological progress ensures further decreasing costs for personalized and individualized approaches for retailers. At the same time retailers raise questions about the mode of action to choose and the profit for themselves. The following points stand for lower costs of address:

- To date, at many retailers customer card programs to obtain the necessary data about customers are established. Thus, the retailers have appropriate customer databases and associated transaction histories.
- Scanner cash register for recording (customer-loyalty-card-related) purchase histories have become widespread
- Digital printing techniques that allow simple integration of information from databases are more common and thus presumably more cost-effective.
- Technological progress allows the possibilities for individualized customer approach continue to grow further.

Nowadays, in the German retail sector, there are already some examples of the use of these targeted and personalized coupon promotions. The data gained through the redemption of individualized promotions can help to shape future actions. In other words, it can be checked which effects individual design features cause. Moreover, the

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retailer can derive information on the price reactions of individual customers or their tendency to use promotions and take advantage of this knowledge in future action. Ideally, a self-learning system can arise, which is constantly updated. Data from new actions are automatically integrated and used for future actions. Vesanen and Raulas (2004) summarize this use of individual data in a process diagram. The peculiarity of the individualisation process (regardless of the specific form of use) is that always personal information on the use of individualized measures (promotions) are collected, which in turn can be used to design other actions. Therefore, this is an on-going process whose result improves with each run. However, there is little research about the long-term effects of couponing as CRM measure. Further research has to be conducted on that topic as most of present research articles refer to price promotions and long-term effects of those.

5. Empirical Study

The aim of this study is to examine the spread and acceptance of the Marketing Instrument Couponing among the German population in order to provide subsequently recommendations for such couponing campaigns. Therefore price behaviour, previous experiences with coupons, the attitude towards coupons and factors that have significant impact on the success of a couponing campaign are determined.

5.1 Development of hypotheses

Basically, the chosen hypothesis can be split into two different larger topics. The first subject area refers to respondents buying behaviour and price sensitivity and the second topic deals with personal coupon usage patterns of respondents.

Research literature suggests that women are considered as the more price-sensitive and more critical consumers who plan their shopping more detailed and frequently take price promotions into account in comparison to men (Lichtenstein, Netemeyer and Burton, 1991). These differences could be due to different buying habits, as well as from a higher self-involvement during the purchase decision process. Based on these assumptions, it can be concluded that women are more price-conscious than men.

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H1: There is no difference in the price-consciousness of women and men.

Since purchasing behaviour is essentially influenced by income, the price levels as well

as special offers are central purchasing factors for lower income demographic groups

(Gaberseck and Ramelow, 2007, p. 121 f.).

Hypothesis 2: Income has no relationship to the influence of price promotions on

consumers' purchasing behaviour.

Consumers who shop price conscious experience a sense of satisfaction by saving money

and find it welcoming to pay lower prices than many other consumers. Especially for

this group of consumers' coupons offer an opportunity to buy cheaper than the rest

(Lichtenstein, Netemeyer and Burton, 1991). Therefore, it seems plausible that price-

conscious people are regular users of coupons.

Hypothesis 3: There is no relationship between consumers' frequency of coupon

usage and their price-consciousness.

Prior, it was examined that women tend to be more price conscious than men. In

addition it can be deduced that women are also more likely to use coupons, as men

under the same premise.

Hypothesis 4: There is no difference in the frequency of coupon usage of women

and men.

Lichtenstein, Nethemeyer and Burton (1991) examined that an increasing income

decreases consumers' tendency to coupon usage. Hypothesis 5 should confirm these

observations.

Hypothesis 5: Income has no relationship to the frequency of coupon usage.

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The use of new media could revolutionize coupon usage. However, it is important to eliminate the existing reservations of people who have not grown up with the computer or the mobile phone against this form of advertising. Studies such as those of Kondo and Nakahara (2007) show that age has a significant impact on the number of mobile coupons redeemed. Hypothesis 6 should verify examine these observations.

Hypothesis 6: The age does not affect the willingness of consumers to use new media for the use of coupons.

5.2 Development of the Questionnaire

The sets of questions in regards to the topics price-consciousness, coupon-involvement, coupon-usage and the willingness to share personal data were measured with a five point likert scale.

The first three questions examine if respondents have made experiences in coupon redemption and if so how frequently they used coupons. In addition consumers' willingness to use coupons in future is examined.

The second set of questions (question number 4 and its sub-questions) deals with the price consciousness of the respondents. The questions have been oriented on existing researches such as the research from Putrevu and Ratchford (1997) as well as Lichtenstein, Netemeyer and Burton (1997).

The third set of questions (question number 5 and its sub-questions) examines the coupon availability and consumers' attitude. These questions have been derived from researches of Mittal (1994), Lichtenstein, Netemeyer & Burton (1997 & 1991) and Putrevu & Ratchford (1997).

The fourth set of questions (question number 6 and its sub-questions) should examine the coupon affinity of the respondents. The questions are based on research from Tepper (1994), Lichtenstein, Netemeyer & Burton (1997) as well as Putrevo & Ratchford (1997).

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The fifth set of questions (question number 7 and its sub-questions) seeks to study the time invested into coupon usage by respondents. These questions are based on studies from Putrevu & Ratchford (1997) and Mittal (1994).

The research of Tat & Bejou (1994) built the basis for the sixth set of questions (question number 8 and its sub-questions), wherein respondents were asked if coupons generate real savings.

The questions 9 to 13 were chosen to examine respondents' needs and demands on coupons as well as their willingness to share personal data.

The last part of the questionnaire consists of demographic questions; these are question 14 to question 19.

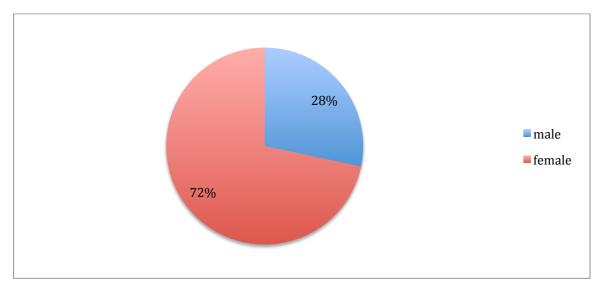
5.3 Analysis of the Primary Data

In the following chapter, the gathered primary data will be analysed with the help of the statistics software IBM SPSS 23.

5.3.1 Demographics of the Respondents

A total of 120 respondents were gathered during the data collection process, whereas 86 are females and 34 are males. This is illustrated in figure 9. Due to the relatively small sample size, the results are not generalizable. Findings are considered as indications and cannot be taken for granted.

Figure 9 – Gender of the respondents



Source: own creation

The first table presented below is a cross tabulation of the variables gender and age. It is illustrated in table 5.

Table 5 - Cross Tabulation Gender * Age

Gender * Age Crosstabulation

				80 01 0000				
			Age					
			18-29	30-39	40-49	50-59	> 60	
			years	years	years	years	years	Total
Gender	male	Count	25	4	3	1	1	34
		% within Gender	73,5%	11,8%	8,8%	2,9%	2,9%	100,0%
	female	Count	55	9	7	15	0	86
		% within Gender	64,0%	10,5%	8,1%	17,4%	0,0%	100,0%
Total		Count	80	13	10	16	1	120
		% within Gender	66,7%	10,8%	8,3%	13,3%	0,8%	100,0%

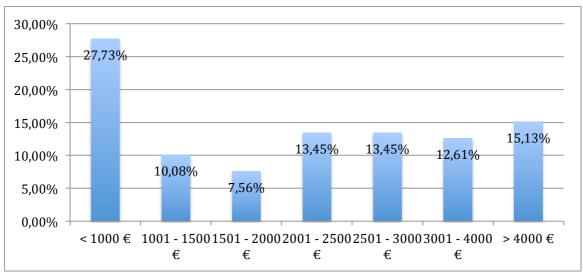
Source: own creation

The table shows, that the huge majority of the respondents is between 18 and 29 years old (66,7 per cent). Out of the 34 males 25 are in the prior mentioned age group, which are 73,25 per cent of the total. 55 out of 86 females are in this age group, which makes

64 per cent of the total. This may be a disadvantage as the results will not be generalizable. Hence the results from the analysis will be seen as indications as mentioned previously before. Keeping in mind that the target segment of marketers to date are adolescents who are between 14 and 49 years old, this sample may indicate interesting results even though it is from this small size.

Figure 10 gives an overview about the net income of the respondents' households.

Figure 10 - Net Income of the respondents' households



Source: own creation

In total almost 60 per cent are in the net income group up to 2.500 euros per month. 13.3 per cent have 2.501 – 3.000 euros per month. 12.50 per cent belong to the high-income group between 3000 - 4000 on the euro and 15 per cent indicated that they may have more than 4000 euros a month net. The high responsiveness on the monthly net income was surprisingly. It is noticeable that just one respondent refused to answer the question. This might be achieved through putting demographic questions in the end of the survey since respondents already showed a high involvement by answering the prior questions.

Table 6 - Size of respondents' household

People living in the household

					Cumulative Per
		Frequency	Per cent	Valid Per cent	cent
Valid	1	38	31,7	31,7	31,7
	2	54	45,0	45,0	76,7
	3	16	13,3	13,3	90,0
	4	9	7,5	7,5	97,5
	5	1	,8	,8	98,3
	6	2	1,7	1,7	100,0
	Total	120	100,0	100,0	

Source: own creation

As illustrated in Table 6, it can be seen that the most common form of housing is the 2-person household with 54 nominations that is equal to 45 per cent. The 3-person household has a spread of 13.3 per cent. 31.7 per cent of the respondents stated that they live alone in their household. 9 respondents live in a 4-person household. 5 or more persons live in just 2.5 per cent of all households. The high number of smaller households with 1 or 2 persons might be explained through the high number of respondents in the age group between 18 – 29 years.

Table 7 - Marital status

Marital status

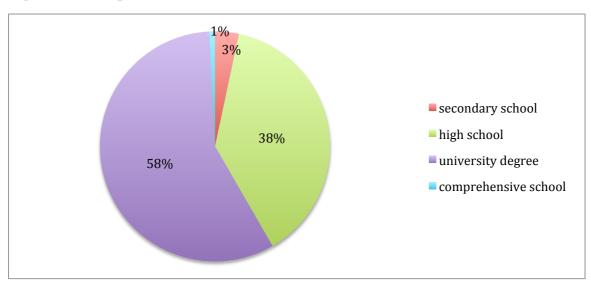
					Cumulative Per
		Frequency	Per cent	Valid Per cent	cent
Valid	not married	94	78,3	78,3	78,3
	married	20	16,7	16,7	95,0
	divorced	6	5,0	5,0	100,0
	Total	120	100,0	100,0	

Source: own creation

Table 7 shows, the marital status of the respondents. As marital status 94 respondents stated that they are unmarried, which is 78.3 per cent of the total. 16.7 per cent live in a marriage and just 5 per cent claimed to be divorced.

The following table shows the respondents' level of education.

Figure 11 - Respondents' Level of Education



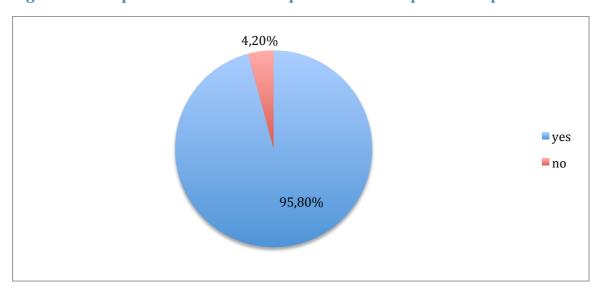
Source: own creation

Educational status of the respondents was measured with the question "What's your highest educational achievement?" The figure 11 above, shows that respondents are rather high educated. More than 50 per cent (58 per cent) in total received a university degree and 38 per cent finished high school.

5.3.2 Experience with Coupon Usage and Frequency of Use

The first question of the survey dealt with whether respondents already had experiences with coupons and is illustrated in figure 12. 95.8 per cent of respondents said that they had already had experience in the redemption of coupons and only 4.2 per cent said no to this question.

Figure 12 - Respondents' who have experiences in Coupon redemption

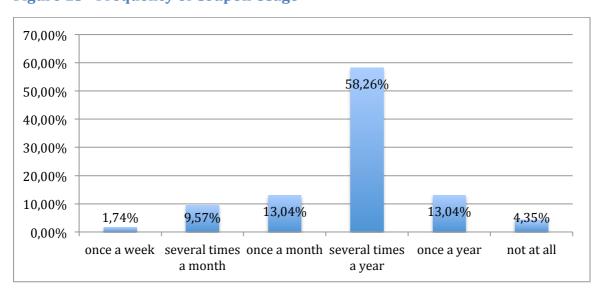


Source: own creation

The figure above shows the great level of awareness of Coupons in Germany.

Figure 13 below shows the frequency of coupon usage.

Figure 13 - Frequency of Coupon Usage

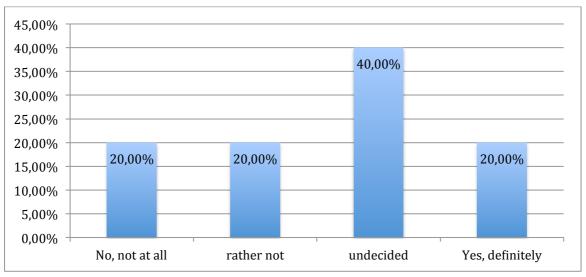


Source: own creation

August, 2015

Figure 13 relates to the frequency of use of those individuals who have already had experience with coupons. Here it can be seen that among the majority (over 70 per cent use coupons only once or several times a year) no regular use takes place. Respectively, only 1.74 per cent stated that they use coupons once a week. Approximately ten (9.57 per cent) and 13 (13.04 per cent) out of a hundred people solve coupons several times or once a month.

Figure 14 - Likelihood of future Coupon Usage of Respondents that do not have coupon experience



Source: own creation

As Figure 14 above illustrates, the majority, is indifferent or not willing to use coupons in future (80 per cent). Only 20 per cent of the respondents show the willingness to use coupons in future.

5.3.3 The Price consciousness of the respondents

The following figures throughout this chapter give an overview about the respondents' price consciousness.

 40,00%

 35,00%

 30,00%

 25,00%

 20,00%

 15,00%

 5,00%

 30,83%

 27,50%

 30,83%

 27,50%

 33,33%

 2,50%

Figure 15 - Price comparisons before products are purchased

Source: own creation

Fully applies

0,00%

As shown in figure 15 above, 66.66 per cent of the respondents in total do price comparisons before purchasing a product. 27.5 per cent were indifferent and 3.33 per cent respectively 2.5 per cent stated rather not or not to carry out price comparisons.

undecided

Does rather not Does not apply at

apply

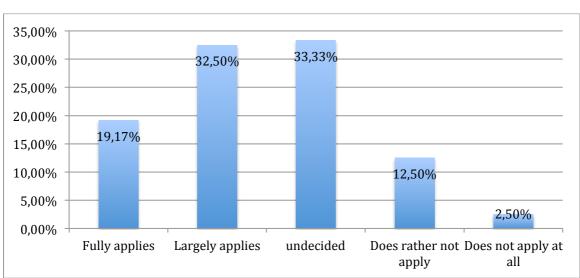


Figure 16 - Search for bargains before products are purchased

Largely applies

Source: own creation

More of half of the respondents are looking for bargains before products are purchased. Figure 16 illustrates that 19.17 per cent and 32.83 per cent profess to a frugal way of shopping and look around for bargains when doing so while 33.33 are undecided. 12.5 per cent and 2.5 per cent of the respondents stated that they not likely or not look for bargains when shopping.

50,00% 45,00% 45,83% 40,00% 35,00% 30,00% 30,00% 25,00% 20,00% 15,00% 10,00% 13,33% 5,00% 8,33% 2,50% 0,00% Fully applies Largely applies undecided Does rather not Does not apply at apply

Figure 17 - Purchase of products that are on offer

Source: own creation

Figure 17 above shows, that there is a tendency that respondents purchase products that are on offer, which shows the high acceptance of promotions within the respondents. 38.33 per cent agreed that they tend to shop articles that are on promotion, while the biggest group of respondents is undecided. Only 15.83 per cent stated that product offers have a low influence on their purchase behaviour.

35,00% 33,33% 33,33% 30,00% 25,00% 20,00% 15,00% 16,67% 14,17% 10,00% 5,00% 2,50% 0,00% Fully applies Largely applies undecided Does rather not Does not apply at

Figure 18 - Choosing the cheapest product that fulfils the needs

Half of the respondents said, to opt for the cheapest product that meets the desired purpose. In addition, it can be seen in figure 18 that a third of the respondents is undecided in regards to this statement and 16.67 per cent do rather not or do not choose the cheapest product. Since products get more and more replaceable, for brand manufacturers this result shows the necessity to create innovative and value added products in order to avoid losing market shares to trade brands of retail groups.

apply

all

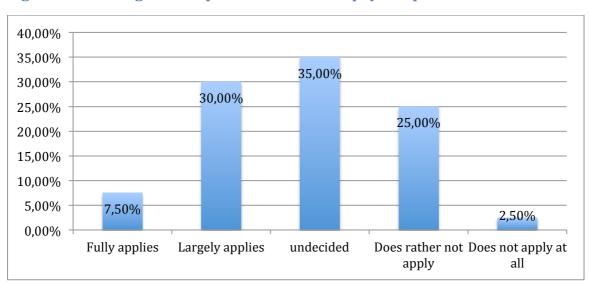
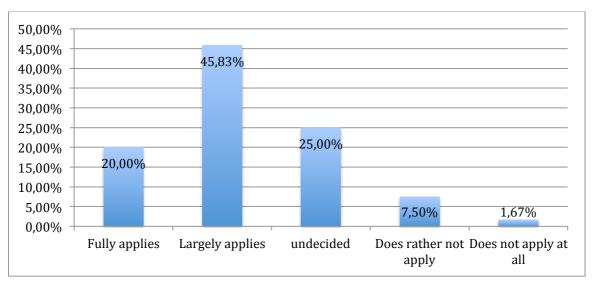


Figure 19 - Willingness to spend extra effort to pay low prices.

Source: own creation

As figure 19 shows, the willingness of the respondents to spend extra effort to buy cheaper is distributed almost uniformly. Nevertheless, there is a tendency that respondents are willing to operate on extra effort, but there is no observable significant trend. 37.5 per cent take extra effort to buy cheap, while 35 per cent are indifferent and 27.5 per cent are not, respectively rather not willing to spend extra effort for favourable prices.

Figure 20 - Satisfaction with purchase decisions when promotions were purchased



Source: own creation

As illustrated in figure 20 65.83 per cent of the respondents agree to be satisfied when they buy offers. This large group are compared to only 9.17 per cent that do not feel positive moods when purchasing promoted products. 25 per cent showed themselves indifferent to this question.



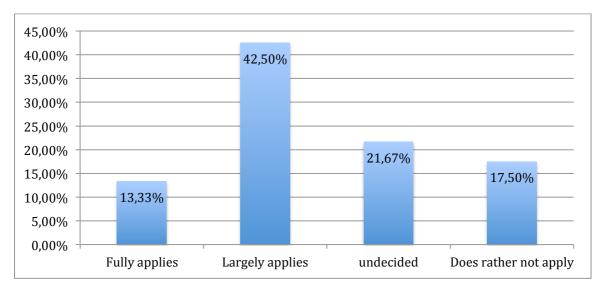
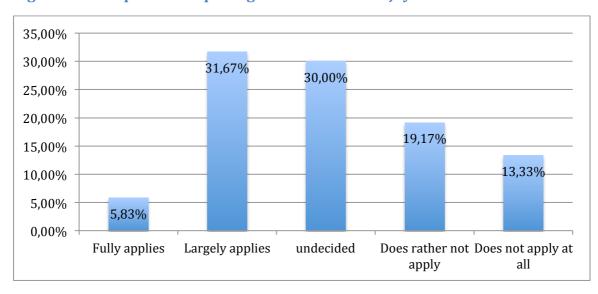


Figure 21 above provides an overview of the general attitude of respondents to discounts and the resulting satisfaction. Only 17.5 per cent feel little or not satisfaction while saving money. By contrast, 55.83 per cent are happy if they can save money when shopping, even if it is only a small amount. 21.67 per cent were undecided.

Figure 22 - Coupon redemption gives me a sense of joy



Source: own creation

Figure 22 shows an almost equal distribution. There is a pretty good balance between those who feel a sense of joy in coupon redemption (37.5 per cent), those who were

undecided in this respect (30 per cent) and those who do not feel a sense of joy in coupon usage (32,5 per cent).

5.3.4 Availability of Coupons and Usage

The following question block considered the availability of coupons and the usage behaviour of the respondents. Since in Germany coupons are not available to the extent as in the United States, participants were also asked if they knew where they could find coupons if needed.

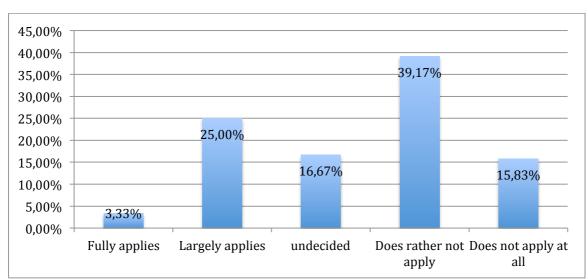
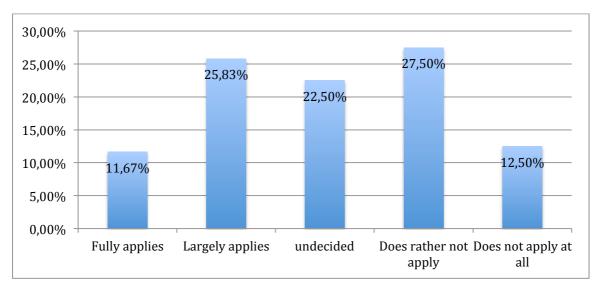


Figure 23 - I receive many coupons from various sources

Source: own creation

Figure 23 above shows the availability of coupons for the respondents. 28.33 per cent said they often get sent coupons. The majority of 55 per cent declared that they do not receive coupon deals.

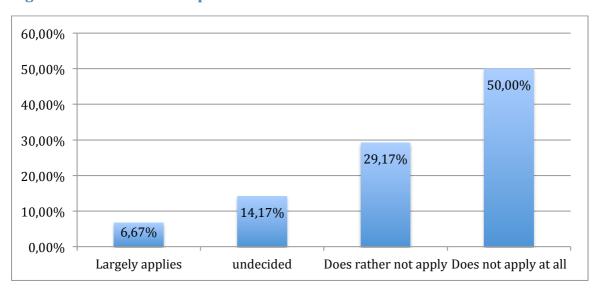
Figure 24 - I know where to find coupons



Source: own creation

Knowledge of obtaining coupons can be seen in figure 24. 37.5 per cent of the respondents indicate to know where coupons can be found. 40 per cent do not have an idea were matching coupons are available and 22.5 per cent showed themselves indifferent.

Figure 25 - To cut out coupons is fun



Source: own creation

The question illustrated in figure 25 is about the joy that arises when finding and cutting a matching coupon. Only 6.67 per cent felt a pleasure to cut coupons. These are offset by almost 80 per cent who do not feel fun and 14.17 per cent who are undecided.

40,00% 35,00% 35,83% 30,00% 31,67% 25,00% 20,00% 21,67% 15,00% 10,00% 8,33% 5,00% 2,50% 0,00% Fully applies Largely applies undecided Does rather not Does not apply at apply all

Figure 26 - Coupons are suitable to bring a product/brand change

Source: own creation

It is shown in figure 26 that when asked if coupons are likely to make consumers change a product or brand, more than two-thirds (67.5 per cent) of the respondents does rather not or not agree. Only 10.83 per cent can imagine to buy another product or brand due to coupons. 21.67 per cent were indifferent.

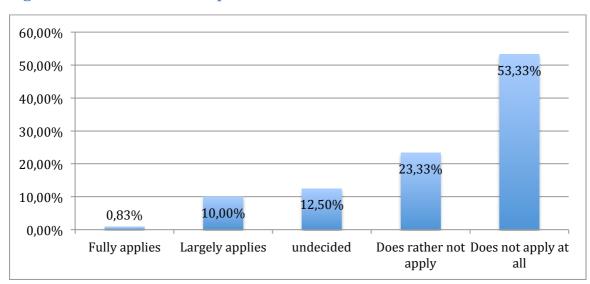


Figure 27 - Collection of coupons

Source: own creation

In figure 27 can be seen that more than three-quarter of the respondents (76.66 per cent) disagree on the question if coupons are collected as shown in figure 27. That

coupons are kept for later redemption was declared by only 10.83 per cent. 12.5 per cent were indifferent.

45,00% 40,00% 40,00% 35,00% 30,00% 25,00% 26,67% 20,00% 15,00% 16,67% 14,17% 10,00% 5,00% 2,50% 0.00% Fully applies Largely applies undecided Does rather not Does not apply at apply all

Figure 28 - There is a lack of matching coupons

Source: own creation

Figure 28 should give an overview about the relevance of coupons in regards of their target group. Almost 30 per cent of the respondents declared that it is hard for them to find coupons that match their needs. In contrast to these respondents, there are around 31 per cent that do find matching coupons. Nevertheless, most of the respondents were undecided (40 per cent).

Figure 29 - Coupons are available for products or brands that are not demanded

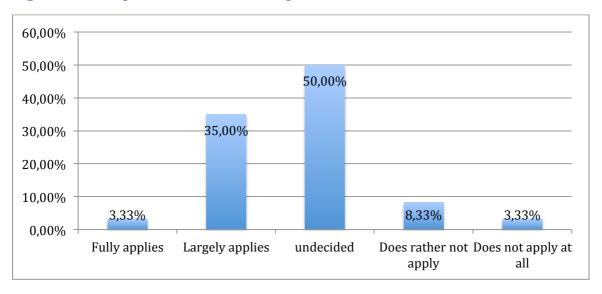
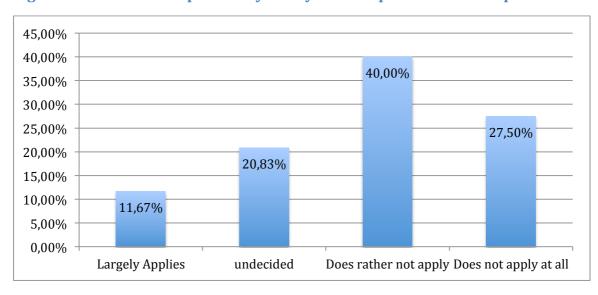


Figure 29 illustrates the question if coupons are mainly available for products or brands with low demand. This was agreed on by 38.33 per cent of the respondents. Only 11.66 per cent stated that interesting coupons are available and most of the respondents were indifferent (50 per cent).

Figure 30 - There is the possibility to buy a better product with coupons



Source: own creation

That coupons create the possibility to choose a better product or brand is illustrated in figure 30 and just 12.67 per cent of the respondents agree on this statement. A fifth is

undecided and the majority of 67.5 per cent does not think that it is possible to switch to a better brand or product.

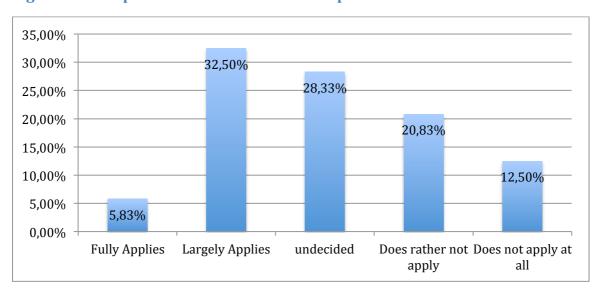
45,00% 40,00% 42,50% 35,00% 30,00% 25,00% 28,33% 20,00% 19,17% 15,00% 10,00% 5,00% 5,00% 5,00% 0,00% **Fully Applies Largely Applies** undecided Does rather not Does not apply at apply all

Figure 31 - Possibility to save money with coupon redemption

Source: own creation

As shown in figure 31, almost 62 per cent of the respondents agree on the statement that it is possible to save money by using coupons. Around 28 per cent were indifferent and only 10 per cent of the respondents disagreed on the statement which means they have the opinion that it is not possible to save money by using coupons.

Figure 32 - Coupons are suitable to test new products or brands



Source: own creation

Figure 32 shows the results of the question if coupons are suitable to test new products or brands. 38.88 per cent perceive coupons as a convenient way to get in touch with new products or brands. A third does not see coupons as suitable and 28.33 per cent are undecided.

5.3.5 Coupon Involvement of Respondents

The following section in the questionnaire dealt with the respondents' mindset in relation to coupons as well as their acceptance in the population. In comparison to other countries like the United States or United Kingdom, Germany lacks in the acceptance of Coupons. This is illustrated in the following figure.

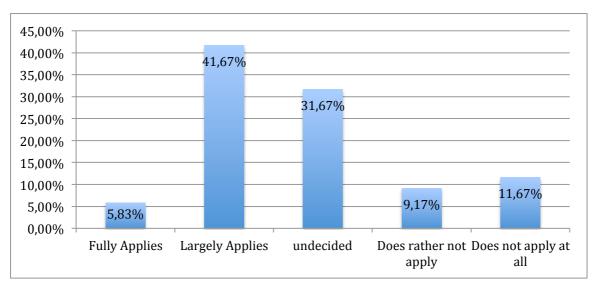
50,00% 45,00% 44,17% 40,00% 35,00% 30,00% 25,00% 26,67% 20,00% 15,00% 14,17% 10,00% 13,33% 5,00% 1,67% 0,00% **Fully Applies Largely Applies** undecided Does rather not Does not apply at apply

Figure 33 - Willingness to collect coupons

Source: own creation

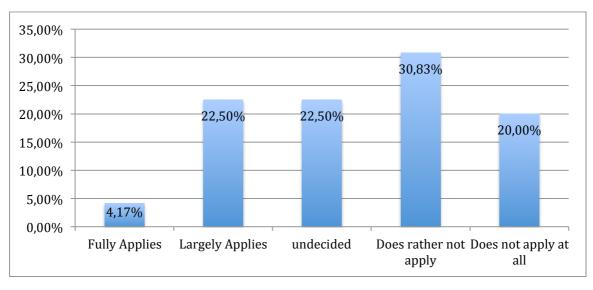
As shown in figure 33, 70.84 per cent of the respondents declared that they do rather not, or do not collect coupons. In contrast, 15.84 per cent stated that they are willing to collect coupons while 13.33 per cent were undecided. This can be explained by the effort that consumers have to spend. The majority is not used to collect coupons and keep them for a later redemption, yet.

Figure 34 - Coupons are suitable to encourage the purchase decision at redemption



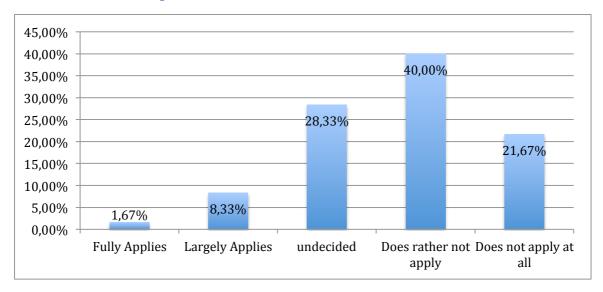
That coupons are suitable to influence the purchase decision of consumers in a positive way is illustrated in figure 34. In the survey, respondents were asked if they feel like they made a good deal after redeeming a coupon and almost half of them agreed on it (47.5 per cent). In contrast to this, 20.84 per cent do not have the feeling that they made a good deal and 31.67 per cent were indifferent.





More than half of the respondents did not agree on the statement "I like to use coupons, regardless of how much money I save" as illustrated in figure 35. 22.5 per cent were indifferent and 26.67 per cent declared to like coupon usage. These results show that couponing as a marketing instrument is not yet accepted by the German population. These results prove that the marketing tool couponing still has no significant level of penetration in the population and coupon redemption does not provide a sense of perceived significant added value for most of the respondents.

Figure 36 - Willingness to switch from favorite brands to brands that are advertised with coupons



Source: own creation

As illustrated in figure 36, 61.27 per cent of the respondents could rather not or not imagine switching from favourite brands or products to those that are advertised with the help of coupons. Only 10 per cent stated that due to coupon advertisements they could imagine stopping buying the favourite product and purchase a product, which is on offer instead. 28.33 per cent of the respondents showed themselves undecided. The results from the survey show, that the often-mentioned statement in literature that coupons are excellently suited as a marketing mechanism that make consumers switch brands is at least questionable.

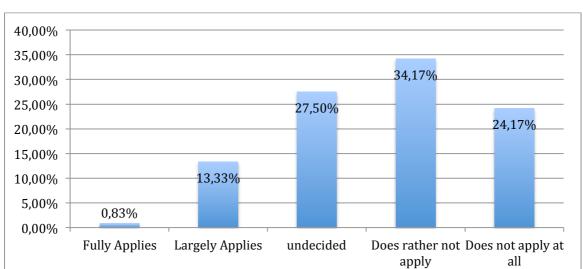
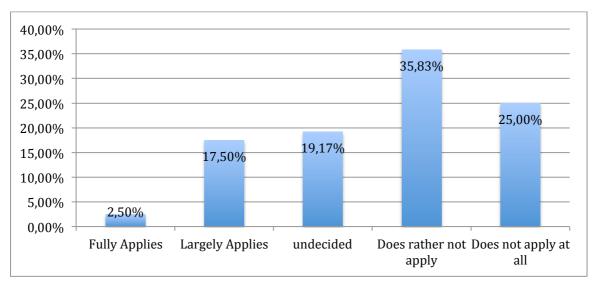


Figure 37 - Preferred purchase of products for that a coupon is available

Source: own creation

Figure 37 looks quite similar to the previous figure 36. 58.35 per cent of the respondents stated that product choice is not in relation to coupons they have. Only 14.16 per cent declared to buy those products they have a coupon for. 29.5 per cent showed themselves as undecided. This backs up the assumption that consumers are difficult to deviate from their usual consumption patterns and favour well-known products and brands.

Figure 38-Coupons are suitable to purchase products that are usually not bought



Respondents showed slightly more assent to the question if coupons made them buy products that are generally not purchased. As illustrated in figure 38, 20 per cent of the respondent agreed on this question. In contrast, 60,83 per cent declared that they are not influenced by coupons to buy products or brands. Almost 20 per cent of the respondents were undecided.

Figure 39 - Searching for relevant products in stores if a coupon is available

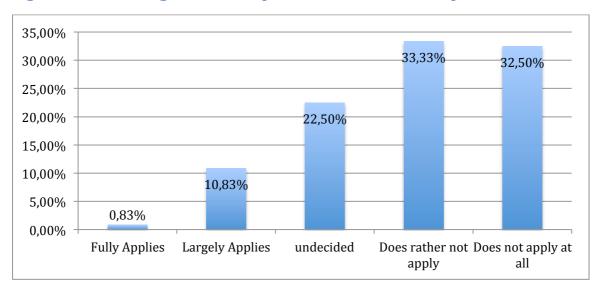
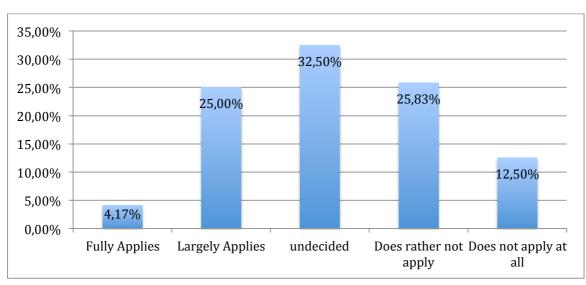


Figure 39 shows the question if respondents look for relevant products in shops, when a coupon is available. Only 11.63 per cent of the respondents agree on that .Almost two-third disagree on this question and 22.5 per cent showed themselves as indifferent.

Figure 40 - I feel good when I redeem coupons



Source: own creation

Figure 40 illustrates the respondents' state of mind when redeeming a coupon. From the sample, 29.17 per cent agree to feel good when they redeem coupons 32.5 per cent were undecided and 38.88 per cent disagreed on that feeling.

5.3.6 Shopping behavior and the burden it entails

The following figures represent those set of questions that deal with purchase behaviour and purchasing expenditures. In addition, the perceived effort for coupon usage is examined.

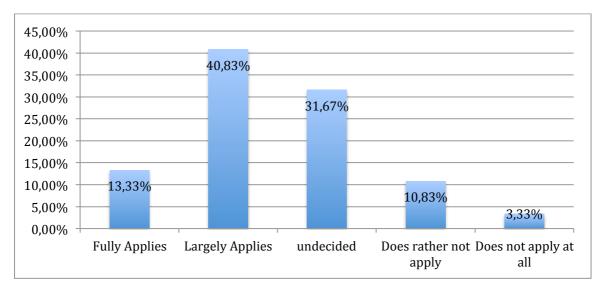
60,00%
50,00%
40,00%
35,83%
20,00%
10,00%
Fully Applies
Largely Applies
undecided
Does rather not apply

Figure 41 - I have favorite shops where I always shop

Source: own creation

The question of favourite shops was approved by more than 90 per cent of the respondents, as it can clearly be seen in figure 41. Only 1.67 per cent said they have no preferred stores and 6.67 per cent were undecided.

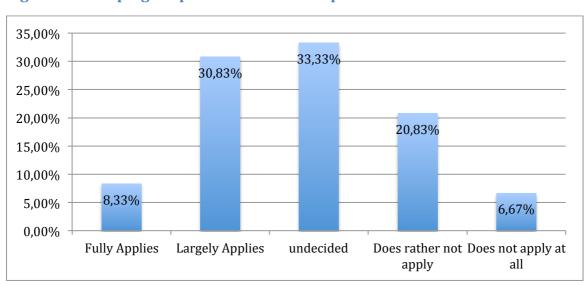
Figure 42 - Taking additional effort to shop in favourite shops



Source: own creation

Figure 42 shows that 54,16 per cent of the respondents take additional effort in account in order to visit their favourite shops. The figure also illustrates that 14.16 per cent have no real willingness to operate extra effort in order to shop in their favourite business. 31.67 per cent were indifferent.

Figure 43 - Keeping coupons for later redemption



Source: own creation

As shown in figure 43, 39.16 per cent of the respondents keep coupons for later redemption. 27.5 per cent did not agree on preserving coupons for later usage and a third of those polled were indifferent.

The following analysis refers to the amount of time that consumers perceive to need for coupon usage.

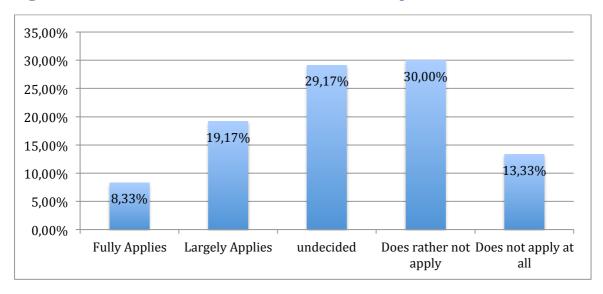
40,00% 35,00% 35,83% 30,00% 25,00% 24,17% 20,00% 22,50% 15,00% 10,00% 10,83% 5,00% 6,67% 0.00% **Fully Applies Largely Applies** undecided Does rather not Does not apply at apply all

Figure 44 - It is very time consuming to use coupons

Source: own creation

As illustrated in figure 44, 29.17 per cent of the respondents agree that it is very time consuming to use coupons. Likewise 24.17 per cent are undecided in regards to the time needed for couponing. Most of the respondents, namely 46,66 per cent, do not think that it is very time consuming to use coupons.

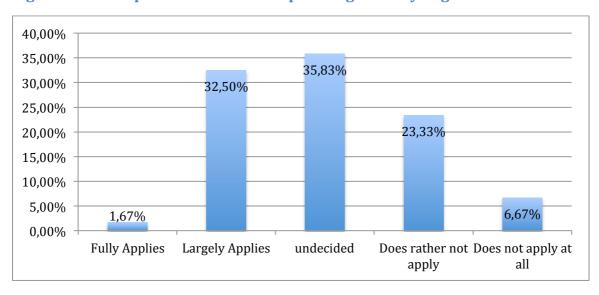
Figure 45 - You can save a lot of time if the use of coupons does not become a habit



Source: own creation

Figure 45 shows quite similar results as the figure shown before. 27.5 per cent of the respondents agreed that a lot of time can be saved it the use of coupons does not become a habit. Around 30 per cent were undecided in regards to this issue and the majority of 43.33 per cent see coupon usage as a manageable amount of time.

Figure 46 - You spent less time on coupon usage when you get accustomed to it



Source: own creation

As it can be seen in figure 46, more than one third of the respondents (34.17 per cent) believe that the use of coupons is not as time consuming as in the beginning when you

get used to it. 35.83 per cent were undecided about this issue and 30 per cent could not imagine that the time is reduced with increasing experience in coupon usage.

45,00% 40,00% 42,50% 35,00% 30,00% 30,00% 25,00% 20,00% 15,00% 17,50% 10,00% 5,00% 8,33% 1,67% 0.00% **Fully Applies Largely Applies** undecided Does rather not Does not apply at apply all

Figure 47 - Fitting coupons for frequently purchased products are available

Source: own creation

In figure 47 the lack of interesting coupons is illustrated. Only 10 per cent of the respondents declared that they find matching coupons for frequently purchased products. In contrast to this, it has been critized by almost three quarters that there is a lack of useful coupons. 17.50 per cent were undecided to this issue.

Figure 48 - To take advantage of coupons is not very time consuming

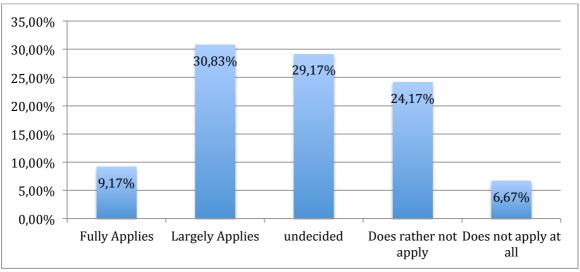
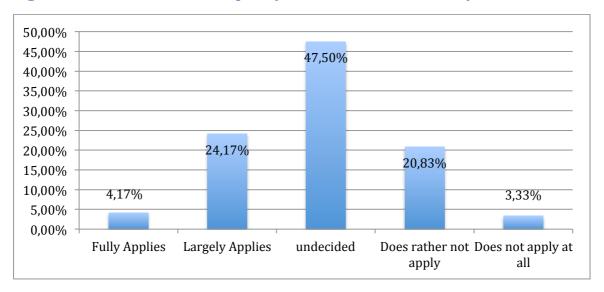


Figure 48 illustrates the counter-question to figure 44, in these questions the expenditure of time for coupon usage was examined. The results are similar with slight variations. These are in the area of low single digits. In regards to figure 48 agreed 40 per cent of the respondents that coupon usage is not very time consuming. 29.12 per cent responded indifferent and 30.84 per cent of the sample sees coupon usage as time consuming.

5.3.7 Needs and preferred distribution and advertising of coupons

The following figures illustrate the questions that refer to respondents' idealized coupon campaign.

Figure 49 - With the use of coupons you can save a lot of money



Source: own creation

Figure 49 should illustrate the respondents' perceived savings when redeeming coupons. It can be seen that 28.34 per cent of the respondents believe to be able to save a lot of money due to coupon usage. In contrast to this, 24.16 per cent disagreed in this statement, while 47.50 per cent of the respondents were undecided.

50,00% 45,00% 44,17% 40,00% 35,00% 30,00% 30,00% 25,00% 20,00% 15,00% 15,83% 10,00% 5,00% 4,17% 5,83% 0,00% undecided **Fully Applies** Largely Applies Does rather not Does not apply at all apply

Figure 50 - Coupons are suitable for high-priced products or brands

Source: own creation

The following figure 50 refers to the question of whether coupons are for expensive products or brands. More than one-third (34. 17 per cent) agreed on the statement that coupons are well suited for high-priced products or brands. One-fifth of the respondents (21.66 per cent) rather disagreed or disagreed on this issue and most people (44.17 per cent) were indifferent.

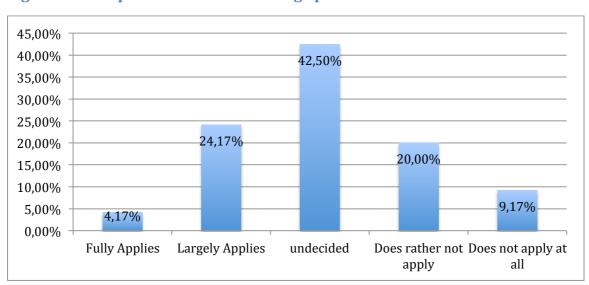


Figure 51 - Coupons are suitable for large pack sizes

Source: own creation

Figure 51 illustrates the question if coupons are suitable for large pack sizes. By looking on the figure it can be seen that it is almost normal distributed. 42.50 per cent of the

sample were indifferent to this question and almost 30 per cent agreed (28,34 per cent), respectively disagreed (29,17 per cent) on the issue.

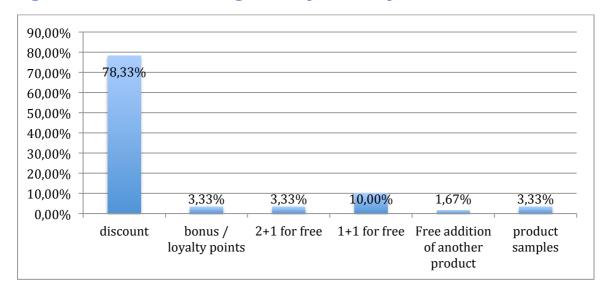
40,00% 35,00% 35,00% 30,00% 29,17% 25,00% 20,00% 21,67% 15,00% 10,00% 8,33% 5,00% 2,50% 1,67% 1,67% 0.00% 0 - 5 % 5 - 10 % 10 - 15 % 15 - 20 % 20 - 30 % 30 - 40 % more than 40 %

Figure 52 - Realistic price reduction for coupon redemption

Source: own creation

The shown figure above represents the respondents' opinion about realistic price reductions that coupons should have. 2.5 per cent of the respondents see the realistic discount between 0 and 5 per cent. 21.67 per cent of those polled find a discount from 5 to 10 per cent realistic. For 29.17 per cent of the respondents there is a realistic coupon value of 10 – 15 per cent. Most out of the sample with 35 in per centage see an appropriate discount between 15 and 20 per cent, respectively 8.33 per cent of the respondents favour a discount level of 20 to 30 per cent. Only 3.34 per cent declared the opinion that the reduction should be more than 30 per cent of the product value.

Figure 53 - Preferred advantages of coupon redemption



In figure 53, the preferred advantages of coupon redemption are presented. The huge majority of participants (78.33) prefer an immediate discount when redeeming coupons. 1+1 for free advantages are next with considerably lower figures. Only 10 per cent of the respondents opt for this choice. The other possible specified options for answers are each under 5 per cent of the sample. Therefore, these will not be further explained.

Table 8 should illustrate which product categories are the most suitable for coupon advertisements. Multiple answers were possible.

Table 8 - Product categories that are suitable for coupon advertising

Product Category	Number of	Share in all	Share of
	Responses	Responses	Respondents
drugstore	99	20,16%	82,50%
products			
Groceries	74	15,07%	61,67%
homewares	63	12,83%	52,50%
clothing	62	12,63%	51,67%
Beverages	45	9,16%	37,50%
electronics	39	7,94%	32,50%
toys	24	4,89%	20,00%
sport accessories	23	4,68%	19,17%
music	16	3,26%	13,33%
printed products	15	3,05%	12,50%
jewellery	15	3,05%	12,50%
Car accessories	10	2,04%	8,33%
tobacco products	6	1,22%	5,00%
TOTAL	491	100,00%	409,17%

Source: own creation

In total the 120 participants of the survey provided 491 detailed answers. As the most appropriate group for couponing campaigns drugstore products are mentioned by 82.50 per cent of all respondents. These make 20.16 per cent of all votes cast. Groceries are the second most frequently ticked product category with an approval of 61.67 per cent of the population. The third position in terms of popularity is taken by homewares. 52.5 per cent of all respondents chose this category which makes 12.83 per cent share in all responses. Furthermore the product categories clothing (51.67 per cent), beverages (37.50 per cent) and electronics (32.50 per cent) recorded high approval ratings.

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Table 9 represents the respondents preferred form of coupon distribution. Multiple answers were also possible in this part of the survey.

Table 9 - Preferred form of coupon distribution

Way of Distribution	Number of	Share in all	Share of	
	Responses	Responses	Respondents	
as separate supplement in	51	14,29%	42,50%	
print media				
directly at the point of sale	51	14,29%	42,50%	
via internet	49	13,73%	40,83%	
by e-mail	46	12,89%	38,33%	
via mobile-phone	40	11,20%	33,33%	
coupon books	34	9,52%	28,33%	
directly on the package	32	8,96%	26,67%	
by mail	27	7,56%	22,50%	
by advertising brochure	19	5,32%	15,83%	
For cutting in print media	8	2,24%	6,67%	
TOTAL	357	100,00%	297,50%	

Source: own creation

In total, the respondents submitted 357 detailed answers. The respondents' most favourable forms of coupon distribution with 42.50 per cent of the sample each are separate supplements in print media and coupons directly at the point of sale. These are followed closely by distribution via Internet (40.83 per cent) and by e-mail (38.33 per cent). One third of the respondents declare that a distribution via mobile-phone is appropriate. Coupon books (28.33 per cent), coupons directly on the package (26.67 per cent) and coupons sent by mail (22.50) have wide acceptance by respondents. Coupons, which are available in advertising brochures (15.83 per cent) or especially for cutting in print (6.67) media lack in acceptance. These results backup the prior findings were respondents' declared that they are not interested in cutting coupons.

5.3.8 Willingness of respondents to provide personal data

The table below refers to the willingness of respondents to provide personal data in order to be targeted directly by companies. Generally it should be noted that this willingness was relatively low across the sample.

Table 10 - Willingness of respondents to provide personal data

Would you be willing to	Fully	Large	und	Does	Does
	appli	ly	ecid	rather	not
	es	appli	ed	not	apply at
		es		apply	all
to provide personal data such as age, address	1,67	15,00	18,	28,33%	36,67%
etc. to get interesting Coupon offers?	%	%	33		
			%		
to receive coupons via mobile phones and	12,5	30,83	10,	20,00%	25,83%
redeeming them afterwards at the store?	0%	%	83		
			%		
to let your location via mobile phone to receive	3,33	6,67	8,3	23,33%	58,33%
a coupon when walked in one or more stores	%	%	3%		
specified by you in advance?					
to provide personal data on the Internet?	0,83	12,50	18,	30,83%	37,50%
	%	%	33		
			%		
to provide personal data in order to join a club?	1,67	8,33	24,	30,00%	35,83%
	%	%	17		
			%		
to provide personal data on the coupon back?	0,83	7,50	12,	39,17%	40,00%
	%	%	50		
			%		
to provide personal information to an	1,67	3,33	9,1	35,00%	50,83%
information desk?	%	%	7%		

Source: own creation

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As shown in table 10, 16.67 per cent of the respondents can imageine to provide personal data in order to get interesting coupon deals. 65 per cent of those surveyed would rather not, respectively would not provide this information and 18.33 per cent showed themselves as indifferent. When asked whether coupons can be received on the mobile-phone to redeem them afterwards in stores 43.33 per cent of the respondents agreed on this issue. In contrast to this, 45.83 per cent disagreed and 10.83 were undecided. This shows that the sample is diverse in the answers of this particular question. The willingness to locate the respondents' phone was really low, only 10 per cent of the people surveyed could imagine doing so in order to receive customized coupons when passing a shop. 8.33 per cent of the ones polled stated that they are undecided while the huge majority (81.66 per cent) refused doing so. The question whether people are willing to provide personal data on the Internet was agreed on by 13.33 per cent of the respondents. 18.33 per cent showed themselves indifferent in this issue and the majority of respondents (68,33 per cent) disagreed on providing personal information on the Internet. The results are quite similar in regards of joining a club. Only 10 per cent of the respondents agree on sharing personal data in order to join a customer club. Almost a guarter (24.17 per cent) was not able to make a clear decision and most of the respondents (65.83 per cent) refused to share personal data. For 8.33 per cent of the respondents it would be imaginable to provide personal data on the back of coupons in order to be able to redeem those. 12.60 per cent of the people polled were undecided and for 79.17 per cent of the respondents it would rather not or not be conceivable. Similar low was the willingness to provide personal data on information desks to get a coupon. Just 5 per cent of the participants agreed on providing personal data in such a situation. 9.17 per cent were undecided and the majority of 85,83 per cent is not or rather not willing to share this data on an information desk in order to receive a coupon.

To sum up, it can be concluded that respondents fear of providing personal data. Therefore, all means of the related questions are shown in the table below to summarize the results of this subject.

Table 11 - Summary of the respondents' willingness to provide personal data

Age	provide personal data to get coupons	Receive coupons via mobile- phone	To locate yourself via mobile phone	provide personal data on the Internet	provide personal data in order to join a club	provide personal data on the coupon back	rovide personal information to an information desk
20-29 years	3,75	2,86	4,12	3,81	3,84	4,02	4,16
30-39 years	3,85	2,92	4,38	3,85	3,92	4,15	4,46
40-49 years	3,6	2,9	4,2	3,6	3,7	4,2	4,3
50-59 years	4,31	4,88	4,88	4,63	4,25	4,31	4,81
60-69 years	5	5	5	5	5	5	5
Total	3,83	3,16	4,27	3,92	3,9	4,1	4,3
Gender							
male	3,76	2,71	3,68	3,68	4	4,18	4,35
female	3,86	3,34	4,5	4,01	3,86	4,07	4,28

Source: own creation

Table 11 illustrates the mean values of the answers given by each age group in accordance to question number 13 and its sub-questions that belong to the willingness of sharing personal data. In order to improve the analysis the variables age and gender are shown as well. The means are based on the likert-scale values, whereas "1" is "Fully applies" and 5 is "Does not apply at all". It can be seen that most items scatter around the value 4, which stands for "Does rather not apply". Respondents below 30 years show the lowest means, in other words, these respondents' state that they have a lower aversion to provide personal data. In addition, the table shows that men are less critical in comparison to women when it comes to the disclosure of personal data.

5.4 Verification of Hypotheses

In this chapter, the research hypothesizes out of chapter 5.1 will be analyzed and findings will be presented. SPSS is used to check significances between the variables. The questions 4.1 to 4.7 have been recoded into additional variables, which have been used for the analyses. For instance, the two positive ("fully applies" and largely applies") respectively the two negative answers ("does rather not apply" and "does not apply at

all") were combined into one statement for each the answer "undecided" was not recoded into one of these statements remains alone. For further details a codebook is attached in the appendix. For the analyses, the exact Fisher Test is performed (for H1, H2, H3, H4 and H5), because the count of various levels in the variables is below 5. The used significance level in this research paper is 0.05.

In comparison to men, women are often described as the more price-conscious consumers. In the survey, this claim is investigated by the following hypothesis.

H1: There is no difference in the price-consciousness of women and men.

In order to find out if there are significant differences between the variables gender and the price-consciousness an analyses with cross tables and Fishers exact test was carried out. For the analysis the variables of questions 4.1 to 4.7 out of the survey were tested with the variable gender. The results are shown in the following table 12.

Table 12 - Test of Hypothesis 1

	Hypothesis 1						
Questio	Variable	Chi-Square-	Exact				
n		Value	Significance				
4.1	Price comparisons before buying	4,393	0,101				
4.2	Look for offers before buying	3,204	0,201				
4.3	Purchase offers	3,054	0,211				
4.4	Cheapest products that fulfil needs	1,722	0,412				
4.5	Additional effort for low prices	1,139	0,581				
4.6	Satisfied with purchase of special	0,542	0,818				
	offers						
4.7	Feeling to have saved money is	2,032	0,348				
	satisfying						

Source: own creation

The performed tests in table 12 above show a p-value which is >=0,05. This means that there is no significant connection between the variables and it is failed to reject the hypothesis. There is no difference in the price-consciousness of women and men. In other words, in these data there is no significant evidence of a relationship between gender and price-consciousness.

The next hypothesis is grounded in the assumption that when shopping people with lower incomes pay more attention to the price of the goods in comparison to those with a high monthly income.

Hypothesis 2: Income has no relationship to the influence of price promotions on consumers' purchasing behaviour.

To see if there are significant differences between the variables income and the consumers' price-consciousness analyses with cross tables and the Fisher test was carried out. For the analysis the variables of questions 4.1 to 4.7 out of the survey were tested with the variable income. The results are shown in the following table 13.

Table 13 - Test of Hypothesis 2

	Hypothesis 2						
Questio	Variable	Chi-Square-	Exact				
n		Value	Significance				
4.1	Proce comparisons before buying	6,150	0,815				
4.2	Look for offers before buying	6,385	0,8				
4.3	Purchase offers	15,349	0,1				
4.4	Cheapest products that fulfil needs	9,801	0,454				
4.5	Additional effort for low prices	9,168	0,521				
4.6	Satisfied with purchase of special offers	7,995	0,622				
4.7	Feeling to have saved money is satifying	8,703	0,410				

Source: own creation

The performed tests in table 13 above show a p-value which is >=0,05. This means that there is no significant connection between the variables and it is failed to reject the hypothesis. There is no relationship between income and the influence of price promotions on consumers' purchasing behaviour. In other words, in these data there is no significant evidence of a relationship between income and price-consciousness.

Hypothesis 3: There is no relationship between consumers' frequency of coupon usage and their price-consciousness.

In order to test this hypothesis, the answers in regards to the frequency of coupon usage were recoded into a new variable. This means, the answers were grouped in

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respondents that use coupons at least weekly, monthly as well as yearly or not at all. This newly created variable "CouponUsage" was analysed with the prior used questions 4.1 to 4.7 with the help of a cross tab and an exact Fisher test. The results are shown in table 14.

Table 14 - Test of Hypothesis 3

	Hypothesis 3						
Questio	Variable	Chi-Square-	Exact				
n		Value	Significance				
4.1	Price comparisons before buying	10,208	0,076				
4.2	Look for offers before buying	9,179	0,113				
4.3	Purchase offers	10,370	0,067				
4.4	Cheapest products that fulfil needs	9,806	0,086				
4.5	Additional effort for low prices	9,281	0,106				
4.6	Satisfied with purchase of special	4,513	0,578				
	offers						
4.7	Feeling to have saved money is	7,825	0,195				
	satifying						

Source: own creation

Table 14 above illustrates the results of the performed Fisher test. Each significance level shows a p-value which is >=0,05. This means that there is no significant connection between the variables and it is failed to reject the hypothesis. There is no relationship between Couponsage and the influence of price promotions on consumers' purchasing behaviour. In other words, in these data there is no significant evidence of a relationship between frequency of coupon usage and price-consciousness.

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Hypothesis 4: There is no difference in the frequency of coupon usage of women and men.

In order to find out if there are significant differences between the variables *CouponUsage* and *Gender an* analysis that performed a Fisher's test was carried out. The results are shown in the following table 15.

Table 15 - Test of Hypothesis 4

Chi-Square Tests

	Value	df	Asymptotic Significance (2- sided)	Exact Sig. (2-sided)	Exact Sig. (1-sided)	Point Probability
Pearson Chi-	1,946a	3	,584	,577		
Square	1,540"	3	,504	,377		
Likelihood Ratio	2,518	3	,472	,530		
Fisher's Exact	1,391			<mark>,713</mark>		
Test	1,371			<mark>,/13</mark>		
Linear-by-Linear	224h	1	TC4	(07	246	110
Association	,334 ^b	1	,564	,607,	,346	,118
N of Valid Cases	120					

a. 3 cells (37,5%) have expected count less than 5. The minimum expected count is ,57.

Source: own creation

Table 15 above shows a p-value, which is higher than 0,05. This means that there is no significant connection between the variables and it is failed to reject the hypothesis. There is no relationship between *CouponUsage* and *Gender*. In other words, in these data there is no significant evidence of a relationship between Gender and the frequency of coupon usage.

b. The standardized statistic is -,578.

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Hypothesis 5: Income has no relationship to the frequency of coupon usage.

The next hypothesis examined is number five. A Fisher test was performed to see if there are significant differences between the variables *Income* and *CouponUsage*. The results are illustrated in the table below.

Table 16 - Test of Hypothesis 5

Chi-Square Tests

			Asymptotic Significance	Exact Sig.	Exact Sig.	Point
	Value	df	(2-sided)	(2-sided)	(1-sided)	Probability
Pearson Chi- Square	10,259a	18	,923	,956		
Likelihood Ratio	10,510	18	,914	,969		
Fisher's Exact Test	11,933			<mark>,891</mark>		
Linear-by- Linear Association	1,546 ^b	1	,214	,219	,114	,013
N of Valid Cases	119					

a. 20 cells (71,4%) have expected count less than 5. The minimum expected count is ,15.

Source: own creation

As shown in the table, the p-value is 0,891, which means that there is no significant connection between the variables *Income* and *CouponUsage*. Therefore, the hypothesis cannot be rejected. In the data there is no evidence for a connection of these two variables.

The next hypothesis to be examined is number 6.

b. The standardized statistic is 1,243.

Hypothesis 6: The age does not affect the willingness of consumers to use new media for the use of coupons.

In order to investigate this hypothesis all the answers if they could imagine receiving or getting coupons over new media are shown below. Therefore the options "e-mail", "mobile-phone" and "internet" out of question 12 will be used. The figure below shows the levels of acceptance of these three options in regards to respondents' age.

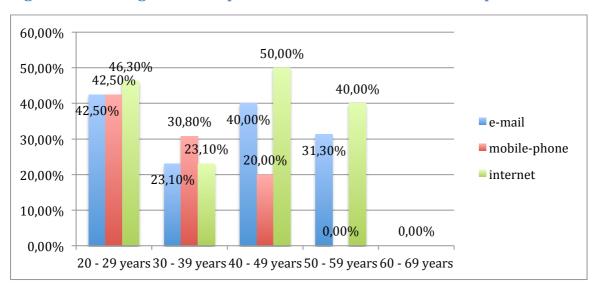


Figure 54 - Willingness of Respondents to use new media for Coupon distribution

Source: own creation

It is noticeable, that the figure shows that the younger respondents' are, the higher is the willingness to use mobile phones as a preferred option for coupon distribution.

In order to check if the age of the ones polled has a significant effect on the willingness of consumers' to each of the available options a Pearson Correlation analysis is conducted between age groups and each option. The following table shows the Pearson Corellation for the variables Age and E-mail.

Table 17 - Pearson Correlation E-Mail and Age

Correlations

		12. Which types of	
		distribution of coupons	15.
		would you prefer? - by e-mail	Age
12. Which types of distribution of coupons would you prefer? -	Pearson Correlation	1	-,100
by e-mail	Sig. (2-tailed)		<mark>,277</mark>
	N	120	120
15. Age	Pearson Correlation	-,100	1
	Sig. (2-tailed)	,277	
	N	120	120

Source: own creation

The table shows that age has no significant effect on the readiness to use e-mails as a preferred form of coupon distribution. There is no strong relationship between those variables. The next variable examined within this hypothesis is Internet. The Pearson Correlation is shown in table 18.

Table 18 - Pearson Correlation Internet and Age

Correlations

		15. Age	12. Which types of distribution of coupons would you prefer? - via internet
15. Age	Pearson Correlation	1	-,146
	Sig. (2-tailed)		, <mark>112</mark>
	N	120	120
12. Which types of distribution of coupons would you prefer? -	Pearson Correlation	-,146	1
via internet	Sig. (2-tailed)	,112	
	N	120	120

Source: own creation

The table shows that age has no significant effect on the willingness of respondents' to use the Internet as a preferred form of coupon distribution. There is no evidence for a

relationship between these variables. The next variable analysed in terms of the hypothesis is Mobile-Phone. The Pearson Correlation of Age and Mobile-Phone is illustrated in table 19 below.

Table 19 - Pearson Corellation Mobile-phone and Age

Correlations

		15. Age	12. Which types of distribution of coupons would you prefer? - via mobile-phone
15. Age	Pearson Correlation	1	-,319**
	Sig. (2-tailed)		<mark>,000</mark> ,
	N	120	120
12. Which types of distribution of coupons would you prefer? -		-,319**	1
via mobile-phone	Sig. (2-tailed)	,000	
	N	120	120

^{**.} Correlation is significant at the 0.01 level (2-tailed).

The SPSS output in table 19 shows that there is a statistically significant correlation between the two variables Age and mobile-phone. The correlation is significant at the 0.01 level. This means that Age has a significant effect on the willingness to use the mobile phone as a preferred option for coupon distribution. Based on this result hypothesis 6 can be rejected. This means, Age affects the willingness of consumers to use new media, at least partly, for the use of coupons.

6. Discussion

This research paper aims to address two major topics, which are on one-hand the sales promotion instrument couponing and on the other hand consumers' behaviour in regards to these. Since German law prohibited coupons until the year 2001, it is from interest, how this marketing instrument developed so far and what impacts it has on consumer behavior of individuals in Germany today.

In order to get a broad understanding of couponing as an instrument of sales promotion, the topic is examined from various angles (consumers, manufacturers and retailers) with its advantages and disadvantages in the literature review chapter of this thesis. The German grocery retail sector is introduced briefly. Moreover, the positive development of trade brands in recent years is shown in order to provide justification for the importance of this research for brand manufacturers since producers have to avoid further losses in market shares to retail owned trade brands. Furthermore, the couponing process with all actors and its necessary steps is introduced to the reader. The literature review revealed that the three major motives for consumer coupon use are price/saving, time/effort and pride/self-satisfaction (Clark et al., 2013; Babakus et al., 1988).

In addition, secondary data sources are used to identify the role of couponing in terms of CRM. Especially targeted/personalized coupon advertisements found to be an appropriate tool, which is presently used to strengthen relationships between manufacturers, retailers and consumers. However, there is little research of the long-term effects of those measures and a research gap is identified as most of the current research articles relate to price discount sales promotions.

The primary data analyses focuses on consumers' behaviour and self-reported characteristics of Germans, in regards to the three major motives of coupon usage, clarified in the conceptual framework, as well as the willingness to disclose personal information.

It must be noted that this study is limited in terms of generalization of the findings due to a sample that does not fit in size and proportion to the German population. Therefore all findings cannot be taken for granted and are considered as indications. This study finds, that 95.8 per cent of the consumers do have experiences in coupon redemption. This shows the great level of awareness of this marketing instrument in the German

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population. The finding, that the majority states to use coupons at least several times a year, backs this up. Nevertheless show these results that coupons do not have a noticeable impact on consumers' purchase behaviour when most of the respondents just redeem coupons several times a year.

Hypothesis 4 states that "There are no differences in the frequency of coupon usage of women and men" and cannot be rejected as well as hypothesis 5 which is "Income has no relationship to the frequency of coupon usage".

Bidmon (2003) argues that price sensitive consumers are more willing to use coupons than others; therefore price consciousness is examined in the questionnaire with the help of question set number 4. The hypotheses H1, H2, and H3 are examined in regards to the relationship of price consciousness on the variables Gender, Income and Frequency of Coupon Usage and can all not be rejected. The analysis shows that German consumers perceive themselves as price-conscious. 66.66 per cent do price comparisons before purchasing products and more than half of the respondents look for bargains before buying products. In addition, almost two-thirds are satisfied with their purchase decision when buying products on offer. In the same context 55.83 per cent state that they are happy when they save money, even if it just a small amount. The data shows no relevant statistical significance levels throughout the examined variables. Moreover, 50 per cent of the respondents clarify to opt for the cheapest product that fulfils their needs. This results shows the necessity and pressure which is on brand manufacturers to create value-added products that are creative and not easily imitable in order to avoid losing even more market shares to trade brands owned by retail groups. On the other hand this backs up prior findings that German consumers tend to be price conscious and consumers show a high affinity to sales promotions.

In terms of coupon availability, respectively usage and attitudes towards coupons, the analysis reveals that more than a third of German consumers know where to find relevant coupons and almost 30 per cent of the sample receive many coupons from various sources. This shows the high penetration rate of Coupons in Germany in respect to their distribution by issuers. However, just 11 per cent of the respondents collect coupons and keep them for later redemption. For 39 per cent coupons are a convenient way to test new products or brands. This observation is not significantly in line with Narasimhans' study (1984) that coupon usage favours brand switching and trial

purchases. By 62 per cent of the respondents coupons are perceived as a great possibility to save money, whereas the majority of 67.5 per cent states that coupon advertised articles might not be a better product automatically. This is in line with prior findings that more than 50 per cent opt for the product that fulfils their needs.

Respondents' affinity to coupons is examined as well. The analysis shows that more than 70 per cent out of the sample do not like to collect coupons, just 15.84 per cent agree on that statement. Nevertheless, almost half of the respondents (47.5 per cent) agree on redeeming coupons feel like a good deal, which shows that coupons are suitable to encourage or trigger in-store purchase decisions of consumers. Moreover, almost 40 per cent of the respondents keep coupons for later redemption. In addition, the analysis reveals that there is a lack of interesting coupons for consumers as 72.50 per cent disagree on the statement "For products that I buy regularly, I mostly find a matching coupon".

Respondents' willingness to switch from favourite products to coupon advertised brands is examined as well in the analysis. More than 60 per cent out of the sample cannot imagine to switch brands in favour of the advertised product. Therefore, it remains questionable, if coupons are efficient to make consumers switch brands. This finding is in line with the group of 58.35 per cent of the sample that stated that their product choice is not in relation to coupons they have. In addition, almost two-thirds state that they do not look for specific products in stores if they have a coupon. These results show, that it is hard to deviate consumers from their regular consumption patterns with coupon advertisements. In other words, consumers tend to favour wellknown and frequently bought products. Another possibility is that they do not want to spend time on coupon redemption. This is examined as well. More than 90 per cent out of the sample have favourite places to shop and more than 50 per cent are willing to take additional effort to shop in their convenient environment. Putting this in context with respondents' low willingness to redeem their obtained coupons, Germans can be seen as creatures of habits. Nevertheless, almost half of the respondents state that they do not perceive coupon usage as time consuming.

In order to get a better understanding on how to make consumers redeeming coupons respondents were asked to answer questions in regards to their preferred coupon advantages. The analysis shows that a huge majority (78,33 per cent) wants a direct

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discount on the purchased products that should discount between 10 and 20 per cent of the original product price. Respondents see drugstore products, groceries and home wares as the most appropriate product groups for coupon promotions. In terms of the preferred coupon distribution it can be derived from the sample that coupons are favoured as separate supplements in print media, followed by "directly at the point" of sale (shelve dispensers) and via Internet. Other distribution types with high acceptance among the respondents are e-mails and mobile phones. These results show the importance that e-coupons already maintain and the huge potential of these distribution forms.

The survey examines respondents' willingness to disclosure personal data in order to be directly targeted by coupon issuer. As proved in chapter 4, personal data is crucial for coupon issuers if couponing is used as a CRM instrument. The overall willingness of respondents to share personal data can be evaluated as really low. It is noticeable that men tend to be more willing to disclose personal data in comparison to women if the means of the measures are compared. A similar effect can be observed when comparing the means of the age groups. The younger respondents are, the higher is their willingness to disclose personal data. The only question where respondents stated diverse answers between the age groups is if they would be willing to receive coupons via mobile phone, to redeem them in stores afterwards. 43.33 per cent agreed on doing so, while 45,8 per cent disagreed on the statement. Further on, hypothesis 6 was examined using this set of questions in relation to the variables Age of the respondents and new media. It turned out, that there is a significant correlation between the variables Age and the willingness to use the mobile phone for the use of coupons. The younger respondents are the higher is the measured willingness to get coupons on the mobile phone throughout the sample. This shows that especially young people can be targeted with mobile-coupons, as they show a significantly higher acceptance of these in comparison to older participants.

The other two items to be tested in relation to new media are internet and e-mail. These do not show significant correlations in between the respondents' age groups and the variables itself. Based on this result hypothesis 6 can be rejected. This means, Age positively affects the willingness of consumers to use new media for the use of coupons. Overall, the use of new media for coupon distribution can stimulate couponing as a sales

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promotion instrument. Especially for people below 30 years such distribution forms are perceived as notably interesting.

It is unlikely that couponing as a sales promotion instrument will experience a boom in near future. Coupons are known and well accepted, but they do not have the popularity of traditional price promotions. This can be explained by the extra effort consumers have to take into account and the lack of coupons that are suitable for general everyday use.

7. Conclusion

The conducted research shows, that couponing is enjoying high consumer acceptance throughout the German population since its legalization back in 2001. More than 95 per cent of all respondents made experiences with coupon redemption so far. The following research question was stated in the initial phase of this thesis.

What impacts does the sales promotion instrument Couponing have on German consumers' behavior?

Furthermore, five research questions were developed in order to support and specify the problem formulation.

The first research question deals with question what factors determinate consumers behaviour towards coupon redemption and what impacts do Coupons have on German consumers' purchasing behaviour. This question is answered with the help of the conceptual model of primary motives for coupon use from secondary data analyis and findings from the primary data analysis. The literature review revealed that consumers' motives to use coupons are derived from the utilities of transaction and acquisition. These two are associated with consumer purchases. First, the transaction utility includes price-consciousness and value-consciousness. Second, the acquisition utility consists of satisfaction and time. In other words, consumers' coupon usage is dependent on his personal economical and personal level of satisfaction. The impact of Coupons on purchasing behaviour is evaluated as low as most of the respondents redeem coupons just several times a year. In relation to the frequency of purchases this is almost nothing. The second research question seeks to identify how German consumers evaluate Coupons in terms of availability and utility. The researcher conducted a primary data collection in order to use primary data analysis to answer the research questions. The results show that most respondents see a lack in the availability of useful coupons. More than 72 per cent of the participants criticized that coupons would not match their purchase patterns in terms of frequently bought products. To save a lot of money by redeeming coupons is stated by only 28.34 per cent of the respondents. Hence it can be inferred from these and other items measured that couponing still not made a breakthrough in Germany.

The third research question seeks to illustrate the self-perceived price-consciousness of German consumers. The administered primary data analysis reveals that the majority of the consumers see themselves as price conscious. For two-thirds are price comparisons before purchases a matter of course and more than 50 per cent look for bargains when shopping. In general, all items measured on price-consciousness show that consumers tend to perceive themselves as price sensitive.

The fourth research question seeks to investigate what German consumers' preferred coupon characteristics are and to what degree they are willing to disclosure personal data in order to get coupon offers. The analysis revealed that German consumers' see coupons particularly suitable for drugstore products (82.5 per cent) followed by groceries (61.67 per cent) and home wares (52.5 per cent). Out of the these observations, it can be determined that coupons are an effective alternative in these retail sectors in comparison to traditional discount sales promotions. In order to achieve high redemption rates, issuers should chose the discount as advantaged perceived by consumers' for the coupon redemption since more than 78 per cent of Germans favour this benefit. Asked for a realistic price reduction almost two-third stated a decrease of 10-20 per cent of the products' original price. The collected data give evidence that this would be a benefit perceived as satisfying by most of the respondents.

The last research question seeks for answers in regards to what extent German consumers are willing to disclose personal data to companies in order to get coupon offers. The literature review shows that couponing can be an effective tool for CRM measures of retailers and manufacturers. In order to do so, it must be preferred to use direct mail coupons. Using mass media approaches for CRM measures would be like using a sledgehammer for cracking a nut. Therefore the consumers' willingness to disclose personal data is measured. Besides the fact that there is a general avoidance of providing personal data to companies in order to get coupon offers, there are other interesting observations. First, the analysis reveals that women are more careful with the disclosure of personal data in comparison to men. Second, the younger respondents are the more they tend to be willing to share personal data in order to receive coupon offers in comparison to elders. A correlation on the significance level of 0.001 between respondents' age and the willingness to take the mobile-phone for the use of coupons is measured.

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Appendix A – Questionnaire

1.	Have you already had e	xperiences	with the	e redemptio	n of coupo	ns?
(1)	☐ Yes					
(2)	□ No					
2.	How often do you use c	oupons?				
(1)	☐ several times a week					
(2)	once a week					
(3)	several times a month					
(4)	once a month					
(5)	several times a year					
(6)	once a year					
(7)	☐ not at all					
3.	Can you imagine to use	coupons i	n future?	•		
(1)	☐ No, not at all					
(2)	☐ rather not					
(3)	☐ neutral					
(4)	Yes, definitely					
(5)	☐ For sure					
4.	Please rate the following	g statemen	ıts			
		Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
1.	I do price comparisons					
	efore I decide to purchase a	(1)	(2)	(3)	(4)	(5)
	oduct or a brand.	()	()	(-)	()	(-7
2.	Before I buy a product I					
lo	ok around for bargains.	(1)	(2)	(3)	(4)	(5)

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	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
3. I usually buy products that are on offer.	(1) 🗖	(2)	(3)	(4)	(5)
4. If I can choose, I opt for the cheapest product, that fulfills my needs.	(1) 🗖	(2)	(3)	(4)	(5)
5. I am ready to spend extra effort to find low prices.	(1) 🗖	(2)	(3)	(4)	(5)
6. If I buy promotions, I am satisfied with my purchase decision.	(1) 🗖	(2)	(3)	(4)	(5)
7. No matter how much money I save on the purchase of products / brands, to have saved money makes me feel satisfied.	(1) 🗖	(2)	(3) 🗖	(4)	(5)
8. The redemption of coupons gives me a sense of joy, no matter how much I save.	(1) 🗖	(2)	(3)	(4)	(5)

5. Please rate the following statements

	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
I receive many coupons from newspapers, magazines, mail or from other sources.	(1)	(2)	(3)	(4)	(5)
2. I know where I can find coupons.	(1)	(2)	(3)	(4)	(5)
3. I like to cut out coupons.	(1)	(2)	(3)	(4)	(5)

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	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
4. Coupons get me to buy products that I would not normally buy.	(1) 🗖	(2)	(3)	(4)	(5)
5. I collect coupons.	(1)	(2)	(3)	(4)	(5)
6. It is hard for me to find matching coupons.	(1) 🗖	(2)	(3)	(4)	(5)
7. Coupons are mainly for products or brands available I do not need / buy.	(1) 🗖	(2)	(3)	(4)	(5)
8. With the use of coupons, it is possible for me to buy a better product or a better brand.	(1) 🗖	(2)	(3) 🗖	(4)	(5)
9. If I can redeem coupons I save money.	(1) 🗖	(2)	(3)	(4)	(5)
10. With the use of coupons I can try new products or brands.	(1) 🗖	(2)	(3)	(4)	(5)

6. Please rate the following statements

	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
1. I like to collect coupons.	(1)	(2)	(3)	(4)	(5)
2. If I redeem coupons, then I feel like I made a good deal.	(1) 🗖	(2)	(3)	(4)	(5)
3. I like to use coupons, regardless of how much money I save.	(1)	(2)	(3)	(4)	(5)
4. I have favorite brands, but	(1) 🗖	(2)	(3)	(4)	(5)

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	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
if I have a coupon I mostly buy the advertised product.					
5. I buy more products or brands for which I have a coupon.	(1) 🗖	(2)	(3)	(4)	(5)
6. Coupons have led me to purchase products or brands that I usually do not buy.	(1) 🗖	(2)	(3)	(4)	(5) 🗖
7. In the shop I am looking for the products or brands for which I have a coupon.	(1) 🗖	(2)	(3)	(4)	(5) 🗖
8.I feel more satisfied when I redeem coupons.	(1)	(2)	(3)	(4)	(5)

7. Please rate the following statements

	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
1. I have favorite shops where I always shop.	(1)	(2)	(3)	(4)	(5)
2.I am ready to take additional effort to shop in my favorite shop.	(1) 🗖	(2)	(3)	(4)	(5)
3. If I get a coupon, I keep it for later redemption.	(1) 🗖	(2)	(3)	(4)	(5)
4.It is very time-consuming to use coupons.	(1) 🗖	(2)	(3)	(4)	(5)
5. You can save a lot of time if you not even get accustomed to the use of	(1)	(2)	(3)	(4)	(5)

	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
coupons.					
6. If you have got accustomed to the use of coupons, it does not cost a loof time.	(1) 🗖	(2)	(3)	(4)	(5) 🗖
7. For products that I buy regularly, I mostly find a matching coupon.	(1) 🗖	(2)	(3)	(4)	(5)
8. It is not really time- consuming to take advantage of coupons.	(1)	(2)	(3)	(4)	(5)

8. Please rate the following statements

	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
1. With the use of coupons you can save a lot of money.	(1) 🗖	(2)	(3)	(4)	(5)
2. Coupons are well suited for high-priced products, or brands.	(1) 🗖	(2)	(3)	(4)	(5)
3. Coupons are good for large pack sizes.	(1) 🗖	(2)	(3)	(4)	(5)
4. By redemption of coupons do not save much money.	(1) 🗖	(2)	(3)	(4)	(5)

9. What would be a realistic discount on redemption of coupons for you?

- (1) 0 5 %

☐ as a separate supplement to print media

13. The following questions relate to the use of personal data. Would you be willing ...

(10) \Box coupon books

	Fully applies	Largely applies	Neutral	Does rather not apply	Does not apply at all
1 to provide personal data such as age, address etc. to get interesting Coupon Offers?	(1) 🗖	(2)	(3)	(4)	(5)
2 to receive coupons via mobile phones and redeeming them afterwards at the store?	(1) 🗖	(2)	(3)	(4)	(5)
3 to let your location via mobile phone to receive a coupon when walked in one or more stores specified by you in advance?	(1) 🗖	(2)	(3)	(4)	(5)
4 to provide personal data on the Internet?	(1) 🗖	(2)	(3)	(4)	(5)
5 to provide personal data in order to join a club?	(1)	(2)	(3)	(4)	(5)
6 to provide personal data on the coupon back?	(1)	(2)	(3)	(4)	(5)

☐ divorced

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		Fully applies	Largely	Neutral	Does rather	Does not
		rully applies	applies	Neutrai	not apply	apply at all
7	. to provide personal					
info	rmation to an information	(1)	(2)	(3)	(4)	(5)
des	k?					
4.4						
	Sex ☐ male					
(1) (2)	☐ male ☐ female					
(2)	■ Temale					
15.	Age					
(1)	☐ < 20 years					
(2)	☐ 20-29 years					
(3)	☐ 30-39 years					
(4)	☐ 40-49 years					
(5)	☐ 50-59 years					
(6) (7)	☐ 60-69 years☐ > 70 years					
(1)	- 70 years					
16.	What is your highest	level of edu	cation?			
(1)	primary school					
(2)	secondary school					
(3)	high school					
(5)	comprehensive school					
(4)	university degree					
17.	marital status					
(1)	unmarried					
(2)	■ married					

(4) widowe	d
-------------	---

18. How many people live in your household?

- (1) 1
- (2) 2
- (3) 3
- (4) 4
- (5) 🔲 5
- (6) \Box 6
- (7) \square more than 6

19. What is the monthly net income in your household?

- (1) □ < 1000 €
- (2) □ 1001 1500 €
- (3) □ 1501 2000 €
- (4) □ 2001 2500 €
- (5) □ 2501 3000 €
- (6) □ 3001 4000 €
- (7) □ > 4000 €

Thank you for taking part, please still click on the button below!

Appendix B – Codebook

Variables	Responses	Code	Recoded
1 Coupon Evporiones	yes	1	
1. Coupon Experience	no	2	1
	several times a week	1	1
	once a week	2	1
2. Frequency of Coupon Usage	several times a month	3	2
	once a month	4	2
	several times a year	5	3

	once a year	6	3
	not at all	7	4
	No, not at all	1	<u> </u>
	rather not	2	
3. Future Coupon Redemption	neutral	3	
· · · ·	Yes, definitely	4	
	For sure	5	
	fully applies	1	1
	largely applies	2	1
4.1 Price comparisons before buying	neutral	3	2
	does not rather apply	4	3
	does not apply at all	5	3
	fully applies	1	1
	largely applies	2	1
4.2 Look for offers before buying	neutral	3	2
	does not rather apply	4	3
	does not apply at all	5	3
	fully applies	1	1
	largely applies	2	1
4.3 Purchase offers	neutral	3	2
	does not rather apply	4	3
	does not apply at all	5	3
	fully applies	1	1
	largely applies	2	1
4.4 Cheapest product that fulfil needs	neutral	3	2
	does not rather apply	4	3
	does not apply at all	5	3
	fully applies	1	1
	largely applies	2	1
4.5 Additional effort for low prices	neutral	3	2
	does not rather apply	4	3
	does not apply at all	5	3
	fully applies	1	1
	largely applies	2	1
4.6 Satisfied with purchase of special offers	neutral	3	2
	does not rather apply	4	3
	does not apply at all	5	3
	fully applies	1	
4.7 Feeling to have saved money is satisfying	largely applies	2	
	neutral	3	
	-		

	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.1 I receive many coupons from various sources	neutral	3
, ,	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.2 I know where to find coupons	neutral	3
•	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.3 To cut out coupons is fun	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.4 Coupons are suitable to bring a product/brand change	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.5 Willingness to collect coupons	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.6 There is a lack of matching coupons	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.7 Coupons are available for products or brands that are not demanded	neutral	3
25	does not rather apply	4
	does not apply at all	5
	fully applies	1
5.8 There is the possibility to buy a better product with coupons	largely applies	2
coapons	neutral	3

	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
5.9 Possibility to save money with coupon redemption	neutral	3
, , , , , , , , , , , , , , , , , , , ,	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
6.1 Willingness to collect coupons	neutral	3
ora Willinghess to collect coupons	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
6.2 Coupons are suitable to encourage the purchase decision at	neutral	3
redemption	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
6.2 Positivo attitudo towardo coupon usago	neutral	3
6.3 Positive attitude towards coupon usage	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
6.4 Willingness to switch from favorite brands to brands that	neutral	3
are advertised with coupons		4
	does not rather apply	5
	does not apply at all fully applies	1
	largely applies	2
6.5 Preferred purchase of products for that a coupon is	neutral	3
available		4
	does not rather apply	
	does not apply at all	5
	fully applies	1
6.6 Coupons are suitable to purchase products that are usually	largely applies	2
not bought	neutral	3
	does not rather apply	4
	does not apply at all	5
6.7 Searching for relevant products in stores if a coupon is	fully applies	1
available	largely applies	2
	neutral	3

	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
6.8 I feel good when I redeem coupons	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.1 I have favorite shops where I always shop	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.2 Taking additional effort to shop in favourite shops	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.3 Keeping coupons for later redemption	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.4 It is very time consuming to use coupons	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.5 You can save a lot of time if the use of coupons does not become a habit	neutral	3
become a nabit	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.6 You spent less time on coupon usage when you get accustomed to it	neutral	3
accustomed to it	does not rather apply	4
	does not apply at all	5
	fully applies	1
7.7 Fitting coupons for frequently purchased products are available	largely applies	2
available	neutral	3

	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.8 To take advantage of coupons is not very time consuming	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
7.7 Fitting coupons for frequently purchased products are	neutral	3
available	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
8.1 With the use of coupons you can save a lot of money	neutral	3
, , , , , , , , , , , , , , , , , , , ,	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
8.2 Coupons are suitable for high-priced products or brands	neutral	3
, , , , , , , , , , , , , , , , , , ,	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
8.3 Coupons are suitable for large pack sizes	neutral	3
	does not rather apply	4
	does not apply at all	5
	fully applies	1
	largely applies	2
8.4 By coupon redemption I do not save much money	neutral	3
	does not rather apply	4
	does not apply at all	5
	0 - 5 %	1
	5 - 10 %	2
	10 - 15 %	3
9. Realistic price reduction for coupon redemption	15 - 20 %	4
	20 - 30 %	5
	30 - 40 %	6
	more than 40 %	7

	Bonus / loyalty points	2
	2 + 1 for free	3
	1 + 1 for free	4
	Free addition of another product	5
	Product samples	6
	beverages	1
	groceries	2
	car accessories	3
	toys	4
	music	5
	drugstore products	6
11. Product categories that are suitable for coupon advertising	homewares	7
	clothing	8
	aport accessories	9
	electronics	10
	tobacco products	11
	printed products	
	jewellery	
	for cutting in print media	
	as a separate supplement to print media	2
	on the package	3
	by e-mail	4
	by advertising brochure	5
12. Preferred form of coupon distribution	via mobile-phone	6
	by mail	7
	via internet	8
	directly at the point of sale	9
	coupon books	10
	fully applies	1
	largely applies	2
13.1 to provide personal data such as age, address etc. to get interesting Coupon offers?	neutral	3
interesting Coupon oners:	does not rather apply	4
	does not apply at all	5
	fully applies	6
	largely applies	7
13.2 to receive coupons via mobile phones and redeeming them afterwards at the store?	neutral	8
tiletti atterwards at tile store:	does not rather apply	9
	does not apply at all	10
13.3 to let your location via mobile phone to receive a	fully applies	11
coupon when walked in one or more stores specified by you in advance?	largely applies	12
uuvunee;		L

	neutral	13	
	does not rather apply	14	
	does not apply at all	15	
	fully applies	16	
	largely applies	17	
13.4 to provide personal data on the Internet?	neutral	18	
	does not rather apply	19	
	does not apply at all	20	
	fully applies	21	
	largely applies	22	
13.5 to provide personal data in order to join a club?	neutral	23	
	does not rather apply	24	
	does not apply at all	25	
	fully applies	26	
	largely applies	27	
13.6 to provide personal data on the coupon back?	neutral	28	
	does not rather apply	29	
	does not apply at all	30	
	fully applies	26	
	largely applies	27	
13.7 to provide personal information to an information desk?	neutral	28	
ueskr	does not rather apply	29	
	does not apply at all	30	
	male	1	
14. Gender	female	2	
	< 20 years	1	1
	20 - 29 years	2	1
	30 - 39 years	3	2
15. Age	40 - 49 years	4	3
	50 - 59 years	5	4
	60 - 69 years	6	5
	>= 70 years	7	5
	primary school	1	
	secondary school	2	
16. Education	high school	3	
	comprehensive school	4	
	university degree	5	
	university degree		
	unmarried	1	
17. Marital status		1	

		i	1
	widowed	4	
	1	1	
	2	2	
	3	3	
18. Size of household	4	4	
	5	5	
	6	6	
	more than 6	7	
	< 1000 €	1	1
	1001 - 1500 €	2	2
	1501 - 2000 €	3	2
18. Households' monthly net income	2001 - 2500 €	4	3
	2501 - 3000 €	5	4
	3001 - 4000 €	6	5
	> 4000 €	7	6

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Appendix C – Internal reliability tests

Reliability Statistics for Q. 4

Trondicting Control of Cr.					
	Cronbach's Alpha Based				
	on				
Cronbach's	Standardize	N of			
Alpha	d Items	Items			
,780	,782	7			

Inter-Item Correlation Matrix

	4.1	4.2	4.3	4.4	4.5	4.6	4.7
4.1	1,000	,595	,270	,173	,574	,120	,156
4.2	,595	1,000	,517	,225	,676	,367	,345
4.3	,270	,517	1,000	,306	,419	,416	,295
4.4	,173	,225	,306	1,000	,115	,373	,202
4.5	,574	,676	,419	,115	1,000	,251	,221
4.6	,120	,367	,416	,373	,251	1,000	,512
4.7	,156	,345	,295	,202	,221	,512	1,000

Reliability Statistics for Q. 5

	Cronbach's Alpha Based			
	on			
Cronbach's	Standardize	N of		
Alpha	d Items	Items		
,687	,681	10		

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Inter-Item Correlation Matrix

	5.1	5.2	5.3	5.4.	5.5	5.6	5.7	5.8	5.9	5.10
5.1	1,000	,331	,325	,192	,464	,052	-,089	,185	,229	,193
5.2	,331	1,000	,104	,280	,242	-,194	-,145	,232	,282	,302
5.3	,325	,104	1,000	,277	,532	,216	,104	,295	,168	,260
5.4.	,192	,280	,277	1,000	,300	,110	,066	,353	,071	,460
5.5	,464	,242	,532	,300	1,000	,041	-,001	,262	,178	,308
5.6	,052	-,194	,216	,110	,041	1,000	,344	,058	-,112	-,064
5.7	-,089	-,145	,104	,066	-,001	,344	1,000	-,036	-,137	-,042
5.8	,185	,232	,295	,353	,262	,058	-,036	1,000	,206	,488
5.9	,229	,282	,168	,071	,178	-,112	-,137	,206	1,000	,216
5.10	,193	,302	,260	,460	,308	-,064	-,042	,488	,216	1,000

Reliability Statistics for Q. 6

	Cronbach's	
	Alpha Based	
	on	
Cronbach's	Standardize	N of
Alpha	d Items	Items
,876	,878	8

Inter-Item Correlation Matrix

	6.1	6.2	6.3	6.4	6.5	6.6	6.7	6.8
6.1	1,000	,485	,400	,387	,400	,323	,436	,490
6.2	,485	1,000	,594	,471	,488	,326	,360	,667
6.3	,400	,594	1,000	,436	,347	,296	,352	,670
6.4	,387	,471	,436	1,000	,686,	,565	,570	,450
6.5	,400	,488	,347	,686	1,000	,674	,611	,446
6.6	,323	,326	,296	,565	,674	1,000	,595	,328
6.7	,436	,360	,352	,570	,611	,595	1,000	,436
6.8	,490	,667	,670	,450	,446	,328	,436	1,000

Reliability Statistics for Q. 7

Reliability Statistics for Q. 1						
	Cronbach's					
	Alpha Based					
	on					
Cronbach's	Standardize	N of				
Alpha	d Items	Items				
,258	,310	8				

Inter-Item Correlation Matrix

	7.1	7.2	7.3	7.4	7.5	7.6	7.8	7.9
7.1	1,000	,351	,133	,135	,061	-,078	,081	-,019
7.2	,351	1,000	,239	,240	,252	-,023	,164	-,152
7.3	,133	,239	1,000	-,204	-,275	,287	,453	,280
7.4	,135	,240	-,204	1,000	,723	-,264	-,212	-,478
7.5	,061	,252	-,275	,723	1,000	-,325	-,244	-,437
7.6	-,078	-,023	,287	-,264	-,325	1,000	,263	,238
7.8	,081	,164	,453	-,212	-,244	,263	1,000	,298
7.9	-,019	-,152	,280	-,478	-,437	,238	,298	1,000

Reliability Statistics for Q. 8

11011011011101 0 101 0 101					
	Cronbach's				
	Alpha Based				
	on				
Cronbach's	Standardize	N of			
Alpha	d Items	Items			
,102	,027	4			

Inter-Item Correlation Matrix

	8.1	8.2	8.3	8.4
8.1	1,000	,339	,267	-,401
8.2	,339	1,000	,273	-,364
8.3	,267	,273	1,000	-,074
8.4	-,401	-,364	-,074	1,000

Reliability Statistics for Q. 13

rtonasmity statistics for Q: 10						
	Cronbach's					
	Alpha Based					
	on					
Cronbach's	Standardize	N of				
Alpha	d Items	Items				
,870	,876	7				

Inter-Item Correlation Matrix

	13.1	13.2	13.3	13.4	13.5	13.6	13.7
13.1	1,000	,422	,448	,768	,521	,713	,465
13.2	,422	1,000	,582	,584	,385	,380	,397
13.3	,448	,582	1,000	,537	,427	,408	,368
13.4	,768	,584	,537	1,000	,455	,641	,520
13.5	,521	,385	,427	,455	1,000	,479	,421
13.6	,713	,380	,408	,641	,479	1,000	,629
13.7	,465	,397	,368	,520	,421	,629	1,000