

## **THE IMPACT OF THE PANDEMIC CRISIS ON INTEREST LEVEL AND SHOPPING BEHAVIOUR WITHIN THE DISCOUNT PORTALS**

## **VPLYV PANDEMICKEJ KRÍZY NA MIERU ZÁUJMU A NÁKUPNÉ SPRÁVANIE NA ZĽAVOVÝCH PORTÁLOCH**

### **Abstract**

*The pandemic situation prevailing around the world has weakened all areas of society as a whole. It has caused significant changes that, in the long term, certainly do not contribute to economic happening. This paper deals with the impact of the pandemic crisis on the level of interest and consumer behaviour on discount portals operating at Slovak market as an important element of sales promotion. The analytical part of the paper provides an analytical view of the development of selected factors related to website attendance of discount portals as a potential purchase market. The results bring a clear consensus that the pandemic situation, together with its strict restrictions significantly eliminates the interest in buying through discount portals.*

*Key words: Discount portals. Covid-19. Pandemic situation. Visit rate.*

**JEL classification** L83, M31, M37

### **Introduction**

The global relatively calm situation in the world has changed rapidly due to the enlargement of the so-called Covid-19, which has had a significant impact on global developments. Its health danger paralyzed the world and its activities. Over the course of one year, a number of studies have been written that describe this phenomenon as well as its effects. On the side-lines of global events, for example, the author Gallo states that “the current period is characterized by a significant crisis, which has caused a decline in the development of the world and national economy. It has hit all sectors hardly, but especially tourism. In tourism, there has been a significant drop in productivity due to a sharp drop in sales” [1].

At present, a number of factors affect the consumer. They influence his shopping behaviour and purchasing decisions. The promotion of products and services is an integral part of marketing in any area that can change customer behaviour in purchasing decisions and the process. A very dominant factor that affects consumers in the area, especially in this long-term pandemic period, is price and price discounts [2]. A great advantage in the area of sales is recorded by modern technologies, which in a virtual environment can usually provide a better price for goods and services.

At the current market, there is clearly seen change to transfer our interest of shopping in virtual surrounding instead passing time in stone shops. In this case, digital technologies might play important role for the sellers as well as a significant competitive market advantage.

Especially in these difficult times, modern digital technologies are more the needed at the affected market. Kotler [4] paid attention to these technologies and stated that digital technology may support most business activities. Some scholars distinguish between ecommerce to: digital technology supporting sales, distribution and customer service processes; e-procurement: digital technology supporting sourcing, procurement, tendering and order fulfilment processes; and e-manufacturing: digital technology supporting demand and capacity planning, forecasting and internal supply chain integration. By focusing on the various activities taking place in the company supply chain, this three-group classification relates to a supply chain management approach. The term e-business has been proposed as one that includes all activities taking place in the supply chain as well as the company's internal use of digital technology [4].

### **Discount portals**

Discount portals and discount aggregators became very popular, whether on the demand or supply side. More and more sellers realized that they can be an useful partner. They serve as an effective complement to the marketing mix. Discount coupons or vouchers are an effective sales marketing tool or occasional sales channel through which discount portals offer products. "The power of marketing activities of modern companies is significant. The discount portal tool is no exception. It represents a „modern way of promotion provides services and products with markedly reduced prices in limited time span" [7]. „By their position, they concerns unique marketing tool that brings better economic benefit to the companies. Discount portals' policy is based on selling the discount through internet" [6].

The number of people interested in shopping on discount portals or bulk shopping was constantly rising during last years before pandemic situation appeared [5]. The offer of discount portals as well as their structure was adapting to changing market demand. While in the past, in the context of tourism at discount portals appeared several categories (especially Slovakia, Czech Republic, hiking, mountains and metropolis), nowadays their portfolio is more adapted to multiple segments (eg. Spa, neighbouring countries: e.g. Hungary etc.). It can be assumed that the discount portals have proved as advantageous means of sales [2]. The biggest boom within the discount portals in Slovakia was in years 2014-2015, when, according to the Slovak Association of Collective Shopping Portals, there were about 200 of portals on national market. However, most of them were forced to close down. At the end, there were only ten left. "A certain decrease was caused by overpressure in the market and also by unscrupulous providers of discounts. They ended the cooperation with such more important portals, which again cleaned up the market a bit [5]. Many discount portals have disappeared because they have frozen in place. They could not develop and reflect customer requirements, bring new things. The needs of Slovaks have changed significantly in five years. The discount is no longer a place where people search for a huge discount, but they search for an inspiration. Currently, most people are attracted by a diverse offer in one place, quality services and proven quality of the brand [9].

Discount portals have become really popular and despite the arrival of the time with relatively good economic stability and favour, their offer continued to be sought. For example, iSita [3] mentioned that, despite a thriving post-crisis economy, people are still searching for discounted products and services. The time has brought an increase in a separate category of discount portals in this area, which do not offer discount offers for specific products and services. By this, are meant portals that combine discounts, promotions, sales in the form of discount codes for discounts for purchases in well-known, long-standing and well-proven online stores" [3]. The fact that discount certificates are a source of earnings was also evidenced in the past by the fact that Facebook also tested a new type of advertising based on discount coupons.

### **Impact of the pandemic on discount portals**

As seen from the statistics, Slovaks like to shop online very much. Based on this fact, it is not surprising that Slovakia is one of the leading countries in the region of Central and Eastern Europe in terms of the number of customers buying online. According to the volume of total revenues in the online store, Slovakia has so far ranked fourth before the pandemic started. In 2019, these revenues amounted to 1.36 billion euros, which was 260 million more than in the previous year [8]. The results of 2020 are debatable. On the one hand, the purchase has been transferred to the Internet environment. On the other hand, it is evident that during the pandemic crisis, purchasing decisions trend still changes and consumers are more cautious. But, the Business centre points out, that there are segments that will be marked by the Covid disease crisis significantly more than others [8].

In the times of crisis, the pandemic did not avoid even the discount portals. The shopping behaviour has changes and still shows it force. For instance, the ZľavaDňa discount portal reports a 75% drop in its sales. Martin Rakovský who is the company's CEO confirmed this information. The drop in sales is mainly caused by the coronavirus epidemic, which forced people to stay at home and not use the services of discount portals. The worst situation is presented in the travel and experience segments, where sales have virtually stopped since the corona crisis broke out. As they make up the majority of the range, the portal recorded a drop in sales of 75% [10].

Today, discount portals try to keep clients by extending the validity of coupons that were purchased before the crisis. This happens most often in the case of holiday coupon purchase. The accommodation facilities have to be closed or have so strict restrictions that they close. There is also a significant restriction of closed ski areas so there is no chance to take the advantage of these coupon holiday options.

What concerning the other products, the interest changed. For instance on portal ZľavaDňa, the offer also changed at first glance. Protective gear, tires or an annual subscription to hobby titles came to the fore. At the time of the coronavirus, most protective equipment such as drapes, respirators or gloves are bought through discount portals. There is no lack of disinfectants or tire replacement [10].

## **Material and methods**

The main aim of the paper was to find out, whether the pandemic situation changed the interest of potential consumers/customers to purchase the products through the possibility of discount portals that represented a significant as well as very popular purchasing online tool.

The survey was done using the data of the similarweb.com page that identifies the marketing statistics of webpages all over the world. The data obtained from the web page are evaluated in 6 months interval. For the purpose of this paper, the time interval of evaluation was July 2020 to December 2020 (6 months). This period was chosen intentionally because of the finding what pandemic crisis caused with the interest of potential consumers.

For the theoretical part, the method of scientific abstraction was chosen to find the theoretical base oriented to discount portals issue. For the analytical part of the paper, the method of analysis was chosen in combination of mathematical and statistical methods to evaluate the obtained data. For the purpose of broader knowledge of selected issue, 3 the most significant discount portals were chosen at the example of: Zlavomat, Zlavadna and zlavy.sme.sk. Because of the reason of their marketing performance evaluation, the comparison method of valuation was used. The observed data were: development of portal (web page) attendance during the period July-December 2020; the rate of instant purchases; interest markets; sources of attendance to individual portals, etc. The analytical part of the paper in general deals with performance and data.

## **Results and discussion**

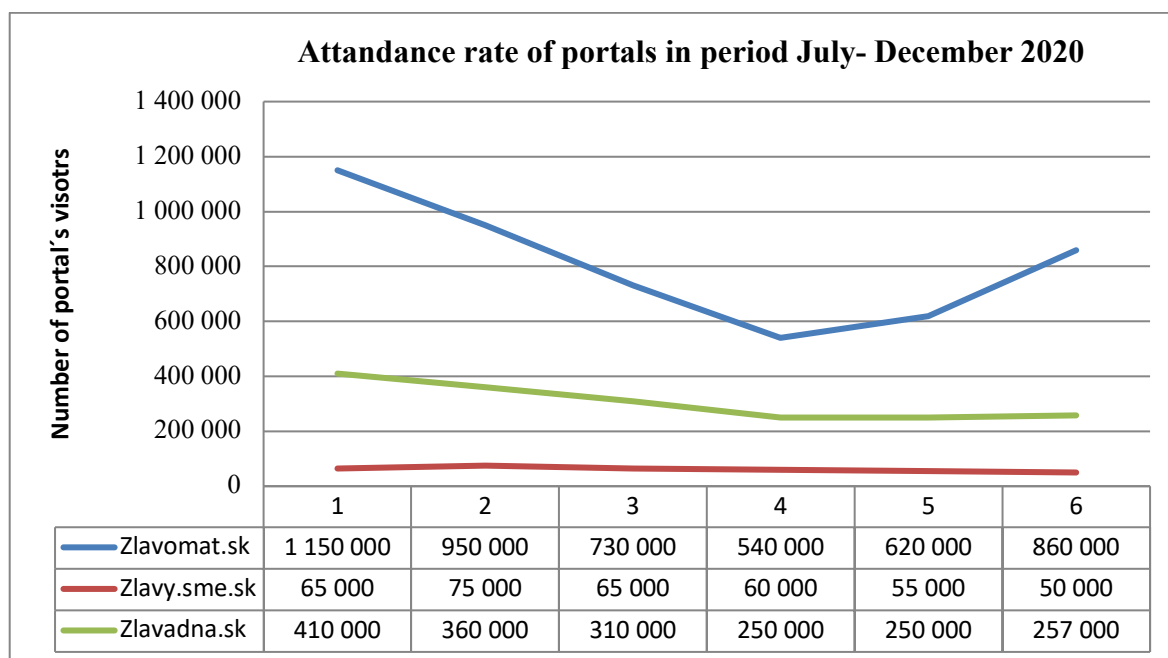
The customer develops under the influence of several factors as in other spheres. Thanks to an accurately measurable online purchase, every owner of a discount portal can monitor traffic, sales and measure the impact of marketing. It is possible to come to interesting data [3]. Purchase within discount portals has generally no exception.

The first monitored data was the number of visits to the pages of discount portals. The first selected discount portal monitored at the time (although in the meantime it changed its strategy to the largest bulk shopping server) was Zlavomat.sk, which had the highest number of visitors in a six-month period, a total of 3,700,000 visitors. Within the mentioned time horizon, most people viewed its page in July 2020, as the first monitored month. The lowest recorded interest in the site was in October 2020, when this month is generally perceived as a "weaker" shopping month. In the context of pandemic measures, the interest in products and services has clearly decreased, as well as official economic statistics mention that the consumer in pandemic times considers the purchase of individual goods and services more than ever, in the times of favour. Due to the fact that the sale of travel and holiday options, which were significantly limited this season and which were subject to various measures, was very dominant in the offer of discount portals, the performance of sales through discount portals was also significantly lower. Broad-spectrum measures, changing conditions for the provision of services as well as strict restrictions and lockdowns have confused the tourism market and also selling the holiday stays through discount portals. Despite the efforts of many portals to create more suitable conditions

for the use and application of coupons, the consumer, in the pressure of change, preferred to postpone the purchase.

One of the most significant supporting elements on the part of discount portals in the case of the purchase of a holiday stay was the extension of the coupon. This fact could occur only with the mutual consent of the provider, e.g. accommodation service. Many accommodation providers, such as Polish hotels, no longer wanted to exercise this option, as the measures in their country were not as strict as at home at the time. In the case of the purchase of, for example, seasonal ski passes, many resorts have decided to provide additional vouchers for future use due to the total closure. A big precondition for discount portals in general was an increase in the attention and rate of purchase by consumers in the pre-Christmas period. Although the rate increased significantly compared to the weakest month of October, but portal managers also claim that the records did not fall. Zlavomat.sk clearly had the highest share at the domestic market.

**Graph 1: Development of attendance rate of selected portals**



Source: own processing up to the data provided by similarweb.com 2021

The second monitored portal was the Zlavy.sme.sk portal, which had the highest rate of visits and interest in products and services in August 2020. From the aforementioned month, its traffic decreased continuously until the end of the year. Even the Christmas period did not help the portal to advance and apparently, the pandemic situation caused the situation. In total, the share of visits compared to Zlavomat.sk was 10%, which represented 370,000 visitors to the portal in half a year.

The third monitored portal was the portal Zlavadna.sk, where the visits were significantly higher. The biggest interest in the site was in the month of July, when the summer season worked relatively positively, although with measures. As with the Zlavy.sme.sk portal, this

portal was not saved by the Christmas period either, but its total attendance has been declining since the summer. The month of December increased by only 7,000 visits compared to the months of November and October, which had the same number of visitors,

Other monitored factors that were monitored in the pandemic period on the example of portals were: Total website attendance development; Average duration of a page visit; Pages per Visit on website and Bounce Rate. Of the three monitored portals, only Zlavomat.sk had a positive development of total traffic compared to the previous period. This fact was mainly due to the strong month of July, as mentioned above. The other two portals saw a decline in interest in visiting the site at all. The average browsing time of the page as another observed parameter was the longest on the Zlavomat.sk portal. The second longest viewing time on the website was for the Zlavadna.sk portal, whose average viewing time was only one minute shorter than for Zlavomat.sk.

Zlavy.sme.sk had the shortest browsing time on the website with less than two minutes of viewing. In terms of pages viewed, Zlavomat.sk again dominated, with less than seven pages. In this case, Zlavadna.sk, even in second place, had a significant difference from Zlavomat.sk by almost half. The discount portal Zlavy.sme.sk again had the least. An interesting figure was the one concerning the rate of immediate purchase-bounce rate. Despite the clear dominance in all monitored factors, in the case of the rate of immediate purchase- bounce rate, the Zlavomat.sk portal was the worst. Of the three monitored discount portals, it had the lowest rate of immediate purchase. The Zlavy.sme.sk portal turned out the best, having the weakest performance in all the previous factors. Its share climbed to 63.26%.

**Table 1: Attendance development in the context of selected criteriors**

Portal	Total website attendance development	Average duration of a page visit	Pages per Visit	Bounce Rate
Zlavomat.sk	plus 39,57%	05:39 minutes	6,91	32,59%
Zlavy.sme.sk	minus 11,18%	01:37 minutes	1,8	63,26%
Zlavadna.sk	plus 7,22%	04:35 minutes	3,52	48,92%

Source: own processing up to the data provided by similarweb.com 2021

Among other monitored factors for the implementation of the comparison were chosen: sources of attendance of individual portals. They tracked the attendance rate of the websites via: direct visit, referrals, through search, social nets or e-mail. The result of individual portals varied. The best in terms of direct visit to the site was Zlavomat.sk. From the point of view of referrals, Zlavy.sme.sk portal clearly had the highest number of visitors. The discount portal that was searched the most via the "Search" function was the Zlavadna.sk portal. Social networks dominated in the case of Zlavomat.sk and the e-mail offer appeared in the case of Zlavomat.sk the most.

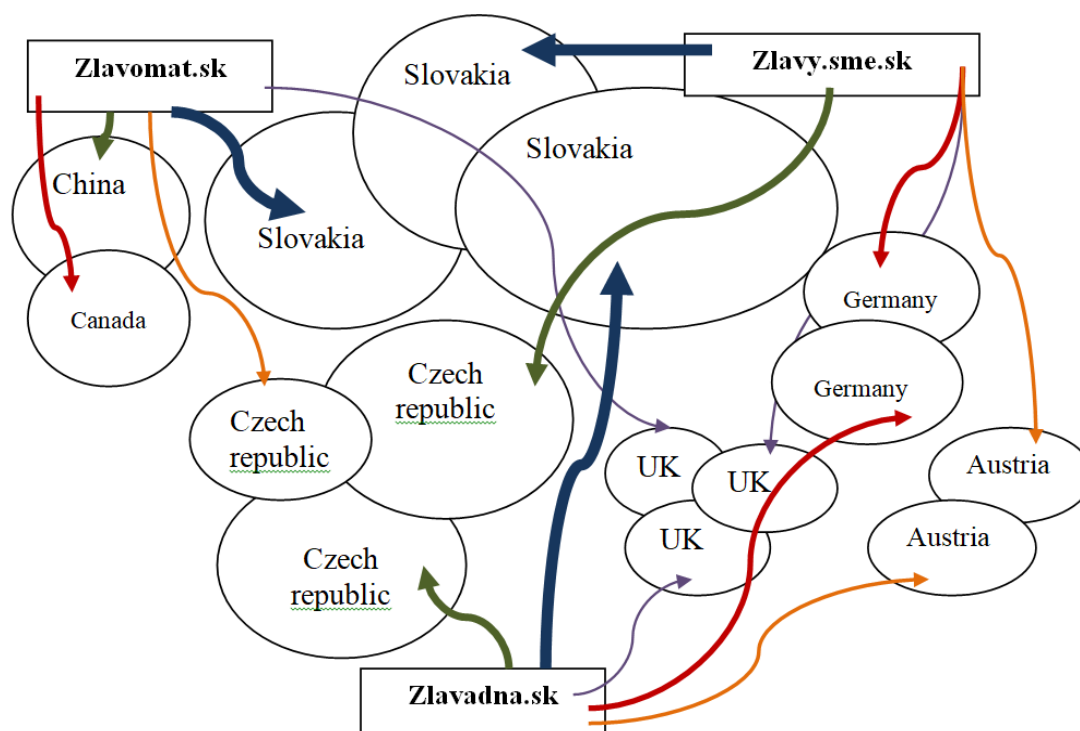
**Table 2: Sources of attendance of individual portals**

Portal	Direct	Referrals	Search	Social	Mail
Zlavomat.sk	44,44%	0,75%	41,38%	9,27%	3,36%
Zlavy.sme.sk	16,28%	34,90%	0%	0%	0%
Zlavadna.sk	33,37%	3,05%	57,33%	5,03%	0,42%

Source: own processing up to the data provided by similarweb.com 2021

Another surveyed factor was Source markets/countries of portals' attendance. The results are shown in the scheme below.

**Scheme 1: Source markets/countries of portals' attendance**



Source: own processing up to the data provided by similarweb.com 2021

All portals were clearly visited the most by potential applicants from the home country, and therefore the Slovak visitor took first place at all three portals. In second place, together for

Zlavadna.sk and Zlavy.sme.sk, was the second most important market, where there was interest in the offer of portals, was the Czech Republic. Only for Zlavomat.sk was surprisingly second China. As for the previous two portals Zlavadna.sk and Zlavy.sme.sk, the third country was Germany. Canada again took third place for zlavomat.sk. again differently as in previous two cases. Again, Austria was in fourth place for Zlavadna.sk as well as for Zlavy.sme.sk. The Czech Republic appeared fourth in the case of Zlavomat.sk. The fifth introduction riniels surprise and for all portals together was the fifth country with the highest interest in the site from the United Kingdom.

## **Summary**

The situation brought by the Covid-19 pandemic to the global market has a significant impact on many areas of social life. Sales and its services as we have known it so far began to change its versions and forms. The further away, the more people move their purchases to the Internet. The situation was no different on the example of discount portals. The survey of attendance and performances on selected discount portals showed that the level of interest in visits to discount portals is declining despite the initially strong periods of the year. Experts from this type of sales claim that in the case of discount portals before the pandemic, the customers were relying on the credibility of the portal, active customer support, the ability to use online chat or call, website design and ease of orientation on the site, but especially reviews [9]. At present, even these mentioned criteria did not help the fact that the pandemic, despite the significant transfer of purchases to the Internet environment, affected the interest in purchasing through discount portals. Neither the discount amount factor, together with the evaluation and validity of the coupon, motivated potential customers to previous, performances, or even to visit the pages of discount portals, which was the intention of this paper. This year, as can be seen in the number of visitors, there was a clear decline, despite the fact that due to pandemic measures, purchases of Christmas gifts have moved in masse to the online environment. Although according to the HNonline Strategies [9] in the years 2015-2017, there was an observable trend of postponing the purchase of gifts until the last minute, this did not happen this year. In view of the findings, it is appropriate for discount portals to start paying more attention to their marketing activity on the domestic market and to sell, in particular, services and products, which are not subject to ever-changing measures and restrictions.



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### **Authors' address**

PhDr. Daniela Matušíková, PhD.

Department of Tourism and Hotel Management

Faculty of Management, Prešov University in Prešov

Konštantínova 16

080 01 Prešov

[daniela.matusikova@unipo.sk](mailto:daniela.matusikova@unipo.sk)

Ing. Kristína Šambronská, PhD.

Department of Tourism and Hotel Management

Faculty of Management, Prešov University in Prešov

Konštantínova 16

080 01 Prešov

[kristina.sambronska@unipo.sk](mailto:kristina.sambronska@unipo.sk)