

Research on Risk Governance Mechanisms of “Coupon Clipping” Behavior by Platform Enterprises: A Case Study of Meituan

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Abstract: As the platform economy has boomed, powerful super-network platforms supported by capital and technology have risen to create vast social wealth. However, their potential impact on social authority has become a hotly debated topic. Meituan, a leading service-oriented e-commerce platform in China, operates in over 200 fields, including catering, retail, transportation, and leisure entertainment, and covers approximately 2,800 counties and cities nationwide. Despite this success, in recent years, Meituan’s sky-high delivery fees and exorbitant taxi subsidies have caused some “coupon clipper” to feel like they’ve been taken for a ride. In the current era of booming platform economy, how to regulate the “coupon clipping” behavior and how social organizations and the public can collaborate to promote the standardized development of the platform economy has become a major challenge. This case study investigates user behavior on Meituan, using methods such as literature analysis and questionnaires to explore the motives and existing risks of “coupon clipping”. It also delves into the risks associated with the platform economy’s current operational processes, and suggests feasible risk governance strategies to promote healthy platform economy operations.

1. Introduction

In December 2020, an article titled I Got Fleeced by Meituan’s Membership Program caused a stir, once again thrusting Meituan’s food delivery business into the limelight. Netizen “Drift Priest” admitted that after spending 15 yuan on Meituan’s membership service, the delivery fee suddenly shot up from the usual 2 yuan to a whopping 6 yuan during peak hours. Commenters below the article cried foul, accusing Meituan of “price-gouging” through its use of big data. Although Meituan responded quickly and issued an apology, their explanation of the delivery fee discrepancy was vague, deflecting blame by citing technical issues that caused location errors. Meanwhile, Meituan made a bold entry into the Shanghai taxi market, doling out loads of coupons and competing fiercely with Didi for market share. The subsidy war led to an increase in unsavory practices like “fake orders”.

The rise of online shopping platforms has transformed the business landscape, bringing buyers and

sellers closer than ever before and making shopping a breeze. However, it has also given rise to a new breed of opportunists - the “coupon clippers”. These individuals engage in various tactics to exploit the system, resulting in economic losses and shedding light on the inadequacies of risk management in the platform economy. As a result, the governance of such “coupon clipping” behavior has become a hot topic in the media, prompting the need for a multi-faceted approach to regulate and supervise such activities. In this era of rapid technological advancement, effective regulation of the platform economy and robust oversight of “coupon clipping” behavior are crucial for high-quality economic growth. These challenges pose a significant hurdle for the burgeoning platform economy.

2. Behaviors of “Coupon Clipping” in the Development Process of Meituan

Looking at its societal impact, Meituan has already surpassed most platform companies. Nevertheless, this exceptional enterprise is not immune to the controversy surrounding its “coupon clipping” behavior.

2.1 The Common Act of “Coupon Clipping”

Typically, “coupon clipping” behavior is carried out by individual users and is directly linked to merchants’ promotional activities. Users can obtain discounts by claiming coupons released by Meituan or shared by their friends, and by taking advantage of Meituan’s promotional rules. For instance, Meituan’s monthly “Divine Coupon Festival” takes place on the 18th of every month, and users can claim a “30-18 yuan” coupon just by opening the Meituan app on that day. Similarly, users who purchase a Meituan membership for 2.99 yuan can receive 5 yuan × 4 takeaway coupons. All these “money-saving maneuvers” by users could be seen as typical “coupon clipping” behavior.

2.2. The Special Act of “Coupon Clipping”

“Coupon clipping” is a sneaky behavior that is often carried out by organized groups known as “coupon clipping parties”. They exploit vulnerabilities in Meituan’s system to make a profit. These parties come in two flavors: technical and union. Technica coupon clipping involves using fake users controlled by fraudsters who work behind the scenes. For example, in late 2017 to April 2018, a group led by Li in Hubei Province exploited Meituan’s system by buying a ton of unregistered phone cards, registering Meituan accounts, and then booking hotel rooms. They would then falsely claim they couldn’t find the hotel or that there were no rooms available upon arrival, and then demand payment of the full deposit and additional compensation from customer service. This was originally a good measure used by Meituan to improve customer experience and satisfaction, but unfortunately became the sheep that the party fiercely “scalped”.

The union-based “coupon clipping” behavior has evolved into a pyramid-like organized scheme for professional “coupon clipping”. In late 2020, a graduate student named Shi from a software engineering department at a university developed and operated a software that provides users with virtual phone numbers and verification codes. Despite knowing that users were using the software to fraudulently obtain discounts from businesses, Shi actively provided support and profited from it. Upon investigation, it was discovered that from September 2020 to January 2021, users of the software platform had recharged a total of more than 3 million yuan. This shows the enormous harm that this kind of special “coupon clipping” behavior can have on the social economy.

3. The Motives behind the Practice of “Coupon Clipping”

Taking the case of Li using loopholes on the Meituan platform to “exploit benefits” as an example,

and synthesizing related reports and academic perspectives, the main underlying motives behind the behavior of “coupon clipping” can be summarized as follows:

To begin with, the emergence of online shopping platforms has completely transformed the trading landscape and introduced new risks. In Li’s case, his professional connections made him especially attuned to online discount information. By buying unregistered phone cards and using them to create fake Meituan accounts, he shamelessly scammed a huge amount of cash. This illustrates how the rise of platform economies has not only made it easier for consumers to stay informed about promotional deals, but has also created ripe opportunities for unscrupulous individuals to exploit the system and engage in unethical “coupon clipping” behavior.

Secondly, the transformation and innovation of online consumption and marketing models provide opportunities for “coupon clipping”. Different from traditional consumption models in the past, online consumption models rely on e-commerce platforms that are more convenient and affordable. In order to establish a good platform image, contemporary marketing models of enterprises pay more attention to user evaluations, constantly retain old users and attract new users through profit-making methods and innovative marketing models. However, some businesses lack experience and are prone to loopholes in activity design, which make them vulnerable to attacks from “coupon clippers”.

The third aspect is the development of “coupon clipping” behavior encouraged by the consumer culture of the “new frugality” movement. The so-called “new frugality” is not the same as traditional frugality or simply being “stingy”. Rather, it involves pursuing value for money and refusing to spend a single penny on anything that is not necessary, while still seeking to save money. In the case of Li, he was driven by a desire to save money and take advantage of loopholes when he discovered them. He registered numerous fake accounts to maliciously claim compensation, and even taught this method to his family and friends, thereby turning “coupon clipping” into a group behavior rather than an individual one [1].

4. The Negative Effect of “Coupon Clipping”

To some extent, reasonable “coupon clipping” can increase economic vitality, stimulate consumer desire, and drive economic growth. However, behaviors such as Li’s “coupon clipping” are harmful to the healthy development of the social economy. The negative effects of “coupon clipping” are mainly reflected in the following aspects:

Firstly, “coupon clipping” itself is illegal, which not only violates the principle of fair competition in the market economy but also violates moral principles. In Li’s case, he used a loophole in Meituan system, used multiple bank cards to commit fraud and cheated the platform of a huge compensation fee. This caused significant losses to the platform and raised doubts about its ability to manage fraud, resulting in a decline in trust among users [2].

Secondly, “coupon clipping” disrupts market order. In recent years, with the increasing number of platforms entering the market, the quality of platforms varies greatly and the business owners are mixed. Malicious “coupon clipping” is not uncommon, and it has become a stumbling block to maintaining normal market order.

Thirdly, “coupon clipping” forms a black-grey industry chain. At present, the laws and regulations of the platform economy and daily management are not comprehensive enough, which still allows some illegal individuals to take advantage of loopholes on the platform, use Internet technology to register false accounts, and publish phishing websites, turning “coupon clipping” into a means of profit. The above-mentioned Li’s case belongs to the type of malicious false account registration. He taught more people to join his group by mastering the fraudulent process and formed a relatively complete black-grey industry chain through systematic operation.

Considering all of the above, while there are plenty of cautionary tales of people suffering dire

consequences for “coupon clipping”, the huge financial rewards associated with this practice have enticed many lawless individuals to operate on the shady side of the law. This has caused the black and gray market for wool to flourish, with citizens and platforms suffering tremendous losses as a result.

5. Suggestions on Risk Management of Platform Enterprise “Coupon Clippers”

In light of the negative consequences associated with coupon clipping, and considering the aforementioned cases, the following recommendations are proposed:

Frist, Platform companies should alter their business philosophies and introduce innovative marketing approaches.

Coupon clipping enables consumers to obtain desired goods at discounted prices. However, unethical coupon clipping activities can negatively impact the interests of various parties. For industry giants such as Meituan, relying solely on issuing coupons and hosting low-priced promotions to attract customers will not suffice. If Meituan does not recognize that market competition is a prolonged game of strategy, then relying solely on coupons will not be enough to sustain its market position [3].

Thus, platform companies must shift their focus, improve the quality of products and services offered, and maintain a positive reputation. Simultaneously, Meituan needs to introduce novel marketing strategies, devise long-term business strategies, and encourage customer participation in platform activities. This will increase user engagement, retain current users, and attract new ones.

Second, the platform needs to stay on top of industry trends and respond actively to policy guidelines

In the volatile Internet market, if Meituan doesn’t shake things up, stay in step with regulations, and keep abreast of industry movements, it’ll get left behind and stagnate in the cutthroat competition. To really make it, Meituan needs to take the long view, resist the lure of short-term profits, abide by legal standards, and earn users’ trust. Only then can it forge ahead and achieve lasting success.

Third, Strengthen cooperation with relevant platforms and enterprises to establish an “anti-coupon clipping party alliance” [4].

To better prevent and combat “coupon clipping”, Meituan needs to strengthen its cooperation with relevant platforms and businesses, and establish an “anti-coupon clipping party alliance” to share information on black industry intelligence data and technical databases. By fully leveraging the advantages of resource sharing and enhancing collaboration, “coupon clipping” can be nipped in the bud.

6. Summary and Reflection

Based on the current development of Internet enterprises, Meituan boasts strong technological capabilities, mature development, a vast scale, and a wide range of services. It can satisfy consumers’ needs and provide an ideal transaction platform for merchants. Meituan also has unique advantages in marketing strategy, using low and differential pricing strategies and the slogan “Meituan saves you money on everything” to attract consumers. In terms of channel strategy, Meituan employs an indirect online marketing strategy to earn profits by taking the difference in prices [5].

To maintain its position as a major player in the competitive world of Internet platforms, Meituan must do more than simply pay attention to and respect the privacy of its customers and merchants, acting as a link between them. Meituan must also keep a close eye on industry trends and be proactive in responding to policy and regulations, using these guidelines to set an example for other platforms in cracking down on “coupon clipping” and making it impossible for “professional coupon clippers” to succeed. In addition, Meituan should use innovative marketing strategies to offer ethical products

and services, build a strong brand image, and cultivate long-term customer loyalty. Finally, as a platform-type business, Meituan must focus on developing innovative business models through digital transformation to ensure healthy and sustainable growth in the ever-changing business landscape [6].

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