

# **SOULTION TO CUSTOMER LOYALTY PROBLEM**

A PROJECT REPORT

submitted by

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**to**

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in partial fullfilment of the requirements for the award of the degree

**of**

Master of Computer Applications



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## DECLARATION

I undersigned hereby declare that the project report (SOULTION TO CUSTOMER LOYALTY PROBLEM), submitted for partial fulfillment of the requirements for the award of degree of Master of Computer Applications of the APJ Abdul Kalam Technological University, Kerala is a bonafide work done by me under supervision of Prof. Baby Sylal. This submission represents my ideas in my own words and where ideas or words of others have been included, I have adequately and accurately cited and referenced the original sources. I also declare that I have adhered to ethics of academic honesty and integrity as directed in the guidelines of Institutional ethics committee of the college and have not misrepresented or fabricated any data or idea or fact or source in my submission. I understand that any violation of the above will be a cause for disciplinary action by the institute and/or the University and can also evoke penal action from the sources which have thus not been properly cited or from whom proper permission has not been obtained. This report has not been previously formed the basis for the award of any degree, diploma or similar title.

Place : Trivandrum

Date : 23-10-2019

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**CERTIFICATE**

This is to certify that the report entitled **SOULTION TO CUS-  
TOMER LOYALTY PROBLEM** submitted by **Vyshak Puthusseri** to the  
APJ Abdul Kalam Technological University in partial fulfillment of the requirements  
for the award of the Degree of Master of Computer Applications is a bonafide record  
of the project work carried out by her under my guidance and supervision. This  
report in any form has not been submitted to any University or Institute for any  
purpose.

Head of the Dept

Project Guide

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If words are considered as symbols of approval and tokens of acknowledgement, then let words play the heralding role of expressing my gratitude.

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## **ABSTRACT**

From being totally paper based coupon industry, it is now very much a digital market. In spite of the efficiency brought by digital coupons, the underlying payment processes remain overly complex with middlemen adding unnecessary costs. While the digital coupons can bring a fresh user experience and widen consumer reach, billions of consumers are still confined to a passive role as in the B2C market. wishes to take a leadership role in delivering the efficiencies that blockchain unlocks, combining innovation in point of coupon authentication techniques, the near ubiquitous use of social media and last, but by no means least, a considerably more fluid payments and settlement with embedded factor of trust.

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# Chapter 1

## Introduction

The paper coupon market has been with us almost since shopping was first invented. Practically all retail outlets, big or small, have used coupons at least once in their lives. The primary motivation is either to attract more customers by offering them a discount or to enable them to pay in advance for gift vouchers that are subsequently passed on to third parties. The major disadvantage of the paper based coupon was its cost and difficulties in distribution of the coupons. Also the accounting process becomes extremely time consuming. There are issues related to study the market feedback. A very high proportion of paper coupons are never returned. Paradoxically, a bigger problem is that no firm evidence can be identified to help explain why some actually are returned! All these problems can be solved by digitizing the coupon industry. But a major problem arises due to the arrival of digital coupons. The coupons are getting manipulated by some individuals, which causes a lot of loss to the merchants. So in many situations the loyalty of the customer has to be cross validated by the retailers.

With the normal encryption mechanism, up to a certain extent this problem can be solved. But if the attacker was highly skilled with tremendous computation power those techniques won't last long. We approach this problem with the disruptive technology, the blockchain. The retailers can generate coupons for a particular product and can share it with the universe using any social media. The coupons are stored in an open source blockchain platform called Ethereum. With the underlying security mechanism of the ethereum blockchain, our system was tamper-proof, as till date nobody was able to break the blockchain network.

# Chapter 2

## Requirement Analysis

### 2.1 Purpose

Using coupons is a popular and easy way for shoppers to cut the cost of groceries, personal care items and other household products, but couponing is not without its rules and regulations. It is important for couponers to understand the guidelines and stay within the legal boundaries when using coupons. Failure to do so could result in coupon fraud, which can lead to criminal charges.

### 2.2 Definition of Coupon Fraud

The Coupon Information Corporation (CIC) has defined coupon fraud as occurring *"Whenever someone intentionally uses a coupon for a product that he/she has not purchased or otherwise fails to satisfy the terms and conditions for redemption, when a retailer submits coupons for products they have not sold or that were not properly redeemed by a consumer in connection with a retail purchase; or when coupons are altered/counterfeited."*

The aim of the project is to build a system that can completely eliminate the coupon fraud and to ensure the end to end security between at all user level levels. This document explains various features of the management system and its requirements.

A blockchain-based digital coupon issuing system can solve all these problems. In the case of hashCODE, the verification process is made as simple as giving in a coupon hash as input and obtaining the coupon details. The hash of each and every coupon generated by the retailer lives in the blockchain along with the smart contract. It makes sure that coupon cannot be changed as it would corrupt data in all other blocks of the blockchain as well. In a blockchain, individual blocks can only be added with the consent of all other parties. This prevents the generation of fake coupons.

The major objectives behind this work are as follows:

- Elimination of coupon fraud
- Soft copies ensure that no coupons are lost

- End to End security at different level of users.

## 2.3 Overall Description

Blockchain coupon verification for retail chain can benefit the retail marketing in large. The manufacture can provide a trusted platform to their retailers and customers to verify their discount coupon from anywhere in the globe. This can happen only through technical integration with current technology. Blockchain for retail chain can be the correct solution for this. All retail chain comes under some manufacture, the manufacture publishes some discount coupons to increase their sales, they induce some validity to it, then they release the coupon to the customers. The customers can redeem the coupons from any outlets of the manufacture, where the retailer will collect the coupon verify it and provide the corresponding discount associated.

- Manufactures

Manufactures are the one who setups the retail chain. The retail chain can be spread across the globe, various part of the country or can be within a state. Our particular product is focusing on a large retail market where the retail outlets are spread across the globe.

- Retailers

In most of the scenarios the manufacture provides the full authority of publishing the coupons to the retailers, where it's a large market. The retailer is the one who manages a outlet under the manufacture, so he is responsible for the sales of the product under that locality. So, he can publish various coupon according the marketing needs, to increase his sales.

- Customers

Customer simply uses the discount coupon published by the retailers, while having their purchase.

### 2.3.1 Product Functions

The main functions of the proposed system include:

- Retail market setup – Adding the retailers.
- Adding the product details.
- Coupon code generation.
- Publishing the coupon.
- Verifying the coupon code at any end level.

### **2.3.2 Hardware Requirements**

- Intel Core i3 or equivalent processor
- 4 GB or more RAM
- 750 MHZ or more CPU Speed
- 500 GB or more hard disk space

### **2.3.3 Software Requirements**

- Linux
- Ethereum blockchain
- NodeJS
- Web3 framework

## **2.4 Functional Requirements**

Functional requirements outline the intended behaviour of the system. This behaviour may be denoted as tasks or functions that the specified system is intended to perform. The proposed system consists of the following parts. They are given below:

### **2.4.1 Web Interface**

A web interface facilitates the interaction of the users with the system. The manufacture adds the retailer, retailer generates the discount coupon. A QR code is used corresponding to each coupon, this QR code get scanned and discount get redeemed by the customers.

### **2.4.2 Ethereum Blockchain**

Ethereum blockchain is very much similar to the bitcoin network. Ethereum blockchain provides a platform to build decentralized applications known as Dapps. Similar to the bitcoin network, Ethereum is purely decentralised. One of the factors that distinguish Ethereum blockchain from bitcoin is that it is programmable. In addition to the transactions, each block in the blockchain contains a code snippet called smart contracts. It helps in bringing together people and organisations from different dimensions of society without any third party dependency. Ethereum

blockchain contains blocks of transactions. Each block contains a list of transactions and a code snippet called smart contract. Ethereum uses an algorithm called proof of work algorithm to verify the entire network. An important data structure that is used by Ethereum is the Merkle tree. Each and every transaction in Ethereum is represented by a hash value. Merkle tree is a tree made of transaction hash values. Inside a block, two transactions are paired to form a single hash. Then two paired transactions together form another hash. This process continues until we get a single hash at the root. The root of a Merkle tree will be an outcome of the entire transactions within that block. Smart contracts are the crucial components which live inside the blocks of blockchain in the form of snippets of code. Solidity is the most popularly used smart contract programming language. The solidity code is very similar to javascript. Smart contracts are a set of rules and conditions which has to be followed during transactions. Smart contracts are an integral part as it eliminates the need for trusted third parties.

## **2.5 Non Functional Requirements**

Non-Functional requirements define the general qualities of the software product. Non-functional requirement is in effect a constraint placed on the system or the development process. They are usually associated with product descriptions such as maintainability, usability, portability, etc. it mainly limits the solutions for the problem. The solution should be good enough to meet the non-functional requirements.

## **2.6 Performance Requirements**

- Accuracy: Accuracy in the functioning and the nature of user-friendliness should be maintained in the system.
- Speed: The system must be capable of offering speed.

## **2.7 Quality Requirements**

- Transparency: The system provides correct data to all participants
- Scalability: The software will meet all of the functional requirements.
- Maintainability: The system should be maintainable. It should keep backups to atone for system failures and should log its activities periodically.
- Reliability: The acceptable threshold for the downtime should be as long as possible. i.e.mean time between failures should be as large as possible. And

if the system is broken, the time required to get the system back up again should be minimum.

- Consistency: The data should be consistent and precise The system would need a stable internet connection to store and retrieve data from the blockchain database.

# Chapter 3

## Conclusion

The retailers create a promo code for a particular product with some discount and add the corresponding details get added into the blockchain. Corresponding to the data added, a hash value gets generated. Using the hash value, a QR code is going to be generated, and which is going to be publicly advertise. The customer with that QR code can go to a verified dealer and he can give the discount as prescribed. Till date no one was able to tamper the blockchain technology and so our system. The system provides permanent solution for the customer loyalty problem, makes it easily accessible from anywhere and everywhere. Cryptographic protection ensures that the data is tamperproof and immutable. The digital coupons help us to avoid the delay in physically doing the transactions. Moreover, it can help us to save time. It solves all such problems of traditional coupon industry. The implementation of this system will mop off fake coupon generation and manipulations.