

Business models to create Customer Loyalty and Generate Profitability: Groupon's Case

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ABSTRACT

Dissertation title: Business models to create Customer Loyalty and Generate Profitability:
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Groupon is one of the fastest companies in the E-Commerce industry. Launched in 2008 in Chicago, Groupon is already present in 47 countries, 5 continents and more than 750 cities all over the world. The company works as an intermediary between consumers and local merchants by selling discounts online.

The concept of Groupon is seen as an emerging marketing tool for local merchants and a new shopping experience for consumers. One of the main promises of Groupon is to enable customer loyalty and customer retention to merchants. However, merchants' perception is that the customers that redeem the coupons do not come back and pay full price for the service/product provided.

The main objective of this dissertation is for students and Professors to analyze two different loyalty dimensions: the customer loyalty towards local merchants and customer loyalty towards Groupon and to understand the importance of the role of loyalty in this case study.

The dissertation is divided in to three main parts: the Case-Study (Literature Review, industry overview and Groupon's analysis); the Market Research, performed in the context of Groupon Portugal, which contains the analysis on questionnaires and interviews performed to consumers and local merchants and, at last, the conclusions and future research comments and suggestions.

Moreover, through this dissertation and teaching notes it is possible to retain some insights of an external perspective of the company, which represent an opportunity to improve some of the loyalty initiatives developed by local merchants and Groupon.

RESUMO

Título da Dissertação: Modelos de negócio para criar Fidelização de Clientes e Gerar Rentabilidade: o caso Groupon

Autor: Marta Silva

A Groupon é uma das empresas que mais rápido cresceu no mundo, no sector de E-Commerce. Lançada em 2008, em Chicago, a Groupon está presente em 47 países, 5 continentes e mais de 750 cidades em todo o mundo. A empresa funciona como intermediária entre consumidores e comerciantes locais através da venda de descontos online.

O conceito da Groupon é visto como uma ferramenta de marketing emergente para os comerciantes locais e, como uma nova experiência de compra para os consumidores. Uma das principais promessas da Groupon é a fidelização e retenção de novos clientes aos comerciantes locais. No entanto, a percepção dos comerciantes é que os clientes que compram e utilizam os cupões, não voltam para pagar o preço total pelo mesmo produto / serviço.

Esta dissertação permite a estudantes e professores, analisar as duas diferentes perspectivas de fidelização: a fidelização de clientes no caso dos comerciantes locais e no caso da Groupon e, compreender a importância e impactos da fidelização de clientes neste caso de estudo. A tese está dividida em três partes principais: o estudo do caso (Revisão de Literatura, visão geral da indústria e análise da Groupon), a Pesquisa de Mercado, realizada no contexto da Groupon Portugal, que inclui a análise de questionários e entrevistas realizadas a consumidores e comerciantes locais e, por fim, as conclusões, limitações e sugestões para futuras pesquisas.

Adicionalmente, através da tese e notas de ensino é possível retirar algumas conclusões de uma perspectiva externa à empresa que representam uma oportunidade para melhorar algumas das iniciativas de fidelização por parte da Groupon e dos comerciantes locais.

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1. Introduction

Groupon, an Internet company, bases its business model on the concept of Group Buying. The company represents an innovative channel of communication, marketing and sales that works as an intermediary between consumers and local merchants by selling discounts deals online – up to 50-90% off. Furthermore one of the promises of the company is to provide return on investment to merchants by enabling customer loyalty and customer retention. However, Groupon is being the center of criticism in the market by merchants and analysts because merchants complaint on the lack of profitability of the campaigns. Local merchants' perceive Groupon's customers as "coupon-hunters" and that after redeeming the coupons, customers do not come back and pay full price for the service/product provided.

When a company is able to create customer loyalty it means the company was able to create a bond with a customer. In that situation, the customer demonstrates a clear preference for the brand and it is more likely to buy more products or/and spend more money than others. It also means the company has the opportunity to increase its customer profitability, by selling higher value products to these customers.

Therefore the author decided to analyze the dynamics of customer loyalty of one of the most growing companies in the E-commerce industry, in the context of Groupon Portugal. Moreover, the author analyzes the Groupon's loyalty problematic by presenting an external perspective of the two different loyalty dimensions: loyalty of the customers towards local merchants and loyalty of customers towards Groupon.

Within this case study there will be an overview of the industry and the company, as well as Groupon's loyalty challenges. To improve the objectivity of the study, the author suggests and identifies some key research questions. Furthermore, the case study is to be complemented with primary research that includes a quantitative and a qualitative research based on several questionnaires to the customers and local merchants. The results provided important information, to answer the proposed research questions, as well as insights on customer loyalty and the impacts of the Groupon's business model in a Business-to-Business (B2B) perspective.

Problem Statement

The goal of this study is to understand if businesses like Groupon (daily deal coupon providers) can enable customer loyalty customer retention to local merchants. Furthermore, it aims to analyze the effectiveness and the impacts of Groupon in the merchants' profitability and to better understand the perceptions and the intentions of the two types of customers of the company.

Key Research Questions

1. Are customers and merchants satisfied with Groupon and willing to buy again?
2. Are customers and merchants buying to other discount deals websites?
3. Do customers come back to merchants, after redeeming the coupon, and pay full price for the same service/product?
4. Are merchants able to retain the new customers? What type of mechanisms do they use to do it, and to measure it?
5. What is the impact of customer's Word-of-Mouth?

2. Methodology

Overall, the methodology used can be divided in two main types of research: primary research, more focused on qualitative research, and the secondary research, which is focused on quantitative research. The first phase considers information from reliable academic resources from the main Marketing Journals, more specifically from 18 read articles. All the information gathered was collected in order to analyze the main topics of the Case Study, which includes E-commerce, Loyalty and Loyalty Programs and the concept of Group Buying. All the academic revision is detailed furthermore in the Literature Review Chapter. The second phase was more focused on the information provided by the company. It is important to note that all the insights given by interviews with the Portugal Account Manager, Maria João Belém, and through front line employees in Groupon Madrid, through interviews and questionnaires. The Groupon Madrid insights were important to better understand a view of Groupon in a more mature market. There were also many online sources, which helped to complete data and valuable information. All these sources are referenced in the References Chapter.

The Market Research was designed having into account two perspectives: the individual consumers and the merchants (local business). According with these two perspectives, it was possible to design a questionnaire for the merchants and an online survey for consumers. After performing the questionnaires, the data analysis was performed on Excel and SPSS. The methodology used to create the questionnaires and to analyze the data is detailed and described in the beginning of the Market Research Chapter.

3. Literature Review

The literature review is the theoretical basis for the whole case study. It aims to identify the topics that are going to be analyzed by the author which are: E-business, Loyalty and Group Buying. These three major themes were chosen considering an e-business (Groupon), its loyalty incentives and all the dynamics implied. The literature review will start by focusing on e-business nowadays then, on Customer Loyalty and it will end with Group Buying, which is the business concept used by Groupon. The implications of Group Buying in the business of those who offers coupons are also going to be taken into account.

3.1. Brands and Digital Marketing

The new media and emerging communication channels, as well as the expansion of consumers “touching points”, is **changing the traditional consumer decision process**. Consumers are much more alert, informed and exigent with their purchasing choices (Eldeman, 2010). Marketers’ strategies are not keeping up with the disruptive effects of technology-empowered customers” (Day 2010) and consequently the **power is shifting to consumers**. (Barwise and Meehan 2010). Firms should focus more on *own media* (channels that brands can control, such as websites), *earn media* (such as communities and brand enthusiasts) and finally they should invest in new management and technology systems that can monitor and control all these changes and provide a better Customer Experience (Eldman 2010). Furthermore there are other capabilities in need to adapt: new development of market insights; the usage of social media and digital emerging channels to gain valuable customer insights (Barwise and Meehan 2010) and a greater adaptability of the company to technology developments and incorporate those developments at an internal level with relevance to the strategies of the company.

3.2. Customer Loyalty

Customer Loyalty is customer's expression of a preference for a company as well as the intention to continue to purchase from it and to increase business with it in the future (Muller and Karman, 2011). Customer Loyalty can also be divided into attitudinal and behaviour loyalty, where attitudinal loyalty concerns the way a consumer feels and thinks about a brand and behaviour loyalty usually the amount spent, over time when purchasing (Mulheern and Malthouse, 2007).

When combining loyalty and e-business, loyalty is seen as a valuable asset due to the high and intensely competitiveness of the e-market. It is extremely important and necessary for e-business (as well as firms from other markets) to have a focus on consumer behaviour and in understanding the main key drivers for engaging consumers since customer loyalty is a way to profitability (Zhang, Dixit, and Friedman 2010).

3.2.1. Loyalty Key Drivers

There are many academic studies that have been focused on the relation between **loyalty key drivers with satisfaction key drivers** however, Mark C.Meyer (2006) defends loyalty should not be mistaken with satisfaction because in fact, "50 percent of "satisfied" customers and 25 percent of "very satisfied" customers will do business with the competition and that 60 to 80 percent of defecting customers, were probably last surveyed as "satisfied" or "very satisfied". E-customer loyalty is highly related to the level of adaptation of the products and services offered, the customer's follow up in terms of complaints or satisfaction levels, the variety of products and services offered, the level of innovation, personalization and interactivity of the Websites and the easiness to purchase (and pay) for the service. A part from these key drivers, there are also two relevant moderators that should also be considered: inertia and trust. These two can have higher effects when there is a negatively relation between the customer and the e-business. Trust, in particularly, plays an important role in the e-business market, as costumers tend to be concerned about security and privacy (Andersan and Swaminathan, 2011).

3.2.2. Profitability and Loyalty Customers

Customer loyalty increases profits, as loyal customers are more willing to pay higher prices. Furthermore, a 5 percent increase in customer loyalty might result in up to a 30 percent increase in profitability (Reichheld and Schefter, 2000). On the other hand, there are differences in terms of profitability among loyal customers: there are customers who are not highly loyal to the company but generate more profits and so outperform a group of more loyal customers but who do not provide high profitability to the company (Kumar 2008) . In this sense, firms need to be concern on the information of the segment's profitability in order to develop strategic decisions. Companies need to draw attention to relationships between attitudinal loyalty and financial value of a customer to the firm (Malthouse and Mulhern, 2007).

3.2.3. Loyalty Programs

Loyalty programs are marketing tools that are used to reward customers according to the amount of money spent in the company and the number of repeated purchases (Kumar, 2008). Moreover, they represent an opportunity to retain customers by proving stimulus for customers to purchase again, such as providing a reward to a customer after a certain amount of money spent in the brand (Kumar and Reinartz, 2006; Liu and Yang, 2009). Loyalty programs enable greater commitment between the customer and the company and they intent to build true loyalty as well as a higher efficiency on the customer's profitability to the company (Kumar and Reinartz, 2006). Furthermore it is cheaper to market existing customers than to acquire new ones. On the other hand, Liu and Yang (2009) believe immediate promotions and discounts are features of a short-term loyalty program and not a long-term loyalty program, that offer consumers delayed rewards.

3.2.4. Loyalty Metrics

According to Mulheern and Malthouse (2007) when measuring loyalty, it is necessary to distinguish **attitudinal and behavioural loyalty measurements**. Attitudinal loyalty is generally measured through surveys in a certain point in time as the behavioural loyalty is measured over time. The optimal solution is for firms to create metrics that could integrate

both. According to Kumar and Reinartz (2006) the **most common metrics** used in the evaluation of loyalty programs are:

- Recency, Frequency and Monetary Value approach (RFM)– refers to how recently and how often the customer purchases, and how much does it spend.
- Past customer value – prevision of future value transactions, based on the total contribution provide by the customer in the past.
- Share of Wallet – amount of customer’s total spending in products/services, offered by the company.

Morgan and Rego (2006) found that customer feedback metrics are valuable in predicting firms’ business performance. Furthermore, Meyer (2006) defends that to measure loyalty, there is the need to consider: customer knowledge at a transactional level, customer satisfaction and the competitive pressure. Furthermore, it is also important to understand the failures of customer relationship and the customer complaints.

3.2.5. Customer Lifetime Value as a Metric for Customer Profitability

Customer Lifetime Value (CLV) is one of the most important and emerging measurement approaches for customer profitability. It is a measure that can make predictions to the future by taking into account the Customer Relationship Management and the customer’s profitability (Holm, Kumar and Rohde, 2011). With this metric, a firm can analyze the profitability of rewarded customers and for how long they will remain profitable, which will in turn enable the company to create a Matrix of Customers, according their profitability (Kumar and Reinartz, 2006). By determining the profitability of customers, the return on investments of marketing strategies, is higher due to a better allocation of resources (Holm, Kumar and Rohde, 2011).

3.3. The power of Word-of-Mouth

Word-of-Mouth (WOM) is a channel of communication among consumers, which is perceived to be more credible and reliable at the eyes of other consumers, than other marketing efforts that are initiated by a company (Brown, Broderick, Lee, 2007). The low costs associated and the speed of reach through emerging technologies, enable WOM a higher dimension among marketers. Therefore, there is a need for firms to measure the impact of WOM communications (Trusov, Buckiln and Pauwels, 2009). It is almost impossible not to mention the **power of the Internet's accessibility** in the subject of WOM. Internet channels as emergent **Social Networks platforms and Internet Communities** are seen as one of the most efficient ways to share information and to measure WOM impacts nowadays.

3.4. Group Buying

3.4.1. Concept

The academic literature on Group Buying is some how limited as the concept has seen the greatest developments recently. Nevertheless, according to Chen and Roma (2010) Group Buying is based on the concept of **quantity discounts**, which is an offer that as the number of buyers increase, the quantities sold increase and the seller can sell more quantities to a lower price to buyers. This can be seen an opportunity for both seller and buyer as the individual consumer wouldn't be able to purchase one unit of the product with that discount. Group coupons (coupons which are sold to a group) represent a promise of substantial savings for consumers and an opportunity to do price discrimination as well as advertising for merchants (Edelman, Jaffe and Kominers, 2011).

3.4.2. Social Coupons – The 3 Perspectives

Social Coupons (which are coupons sold socially or a platform) are an emerging marketing tool. When analyzing this concept it is necessary to take into account three perspectives: the **consumers**, the **coupon's service providers (merchants)** and the **firms**

that offer the coupons (intermediaries) (Kumar and Rajan, 2012). Through the consumer perspective they can be seen as an attractive shopping tool and for social coupon service providers they represent a profitable business model. Taking into account the merchant's perspective, there are two main benefits identified that can provide benefits: price discrimination and advertising. In price discrimination, consumers who will buy these vouchers, differ from the ones that are already, indeed customers, and pay full price. Merchants have many doubts concerning their long-term profitability and customer retention when using social coupons (Edelman, Jaffe and Kominers 2011).

3.4.3. The Anchoring Effect

The anchoring phenomenon happens when “different starting points yield different estimates, which are biased toward the initial values” (Tversky Kahman, 1974). Academic research shows that **extreme-priced products (high or low) can influence the maximum amount consumers are willing to pay** for a product category and specific target products. Therefore, when consumers are exposed to a higher price anchor of the same product category (which can happen in discount deals), their reservation price increases and consequently, the consumer's willingness to buy, also increases. But, on the other hand, in a discount deal situation, as the amount of discount is higher the anchor price is due to be the price that was actually paid, which can have negative impacts on the willingness to pay of that same product category (Adaval, Wyer, 2011)

3.4.4. Merchants' Profitability

Kumar and Rajan (2012) **compute the profitability of merchants** with three variables: “One more customer”; “Increase of the discount rate” and “% of Existing customers that use coupons”. By comparing a normal month and the “discount” month, it is possible to quantify the amount of shortfall of the company (the amount of profit decrease or loss in the month of the coupon release) and how long would it take for the firm to recover. **The only way to recover is by retaining customers.** Furthermore, **advertising with discount coupons is seen more profitable for merchants with a low cost structure and with a smaller dimension in the market** (Edelman, Jaffe and Kominers, 2011). An interesting fact is that a perceptual change in the variable “existing customers that use social

coupons” has a much higher effect than in the other two. There is the need for appropriate targeting deals (according to the audience) to improve merchants’ occupancy rates during slow business days, using time-specific deals (Kumar and Rajan, 2012). .

3.5. Relevance for the Case Study

The themes analyzed above are considered to be extremely important in the particular case study of Groupon. The academic research comes to identify all the critical points that are implied in the Groupon dilemma. The main loyalty complexities, the Group Buying concept as well as the three different players (merchants, consumers and Groupon) are stated and will serve as a connection with the presented case study of Groupon.

4. Case Study

In an interview with a local manager of a local restaurant, the manager stated:

“We had a lot of new customers coming to the restaurant, but there are no profits coming from it, because they do not come back! (...) We are only doing this for 5 months and then it’s over.”

The statement above represents the opinion of many of the local merchants that work with Groupon. And the question is: Why? Is losing money really a result of working with Groupon?

The profitability of the merchants, when doing a campaign on Groupon is, in the long term, is highly associated with Customer Loyalty and Customer retention.

In this case study, there will be an overview of the industry and the company’s business model and loyalty is going to be analyzed through two different perspectives: the customer loyalty towards merchants and customer loyalty towards Groupon.

4.1. Groupon’s Background

In 22 October 2008, Groupon launched its first group coupon offer in Chicago: a two-for-one pizza. At that time, 24 Chicagoans bought it.

It is a history of a multinational cooperation, which started as a start-up less than four years ago. The company was founded by Andrew Mason, who in 2006 was a music major, getting a graduate degree in Public Policy at the University of Chicago. Mason told, in a Vanity Fair article that “as a teen I always imagined myself in New Zealand milking cows, harvesting honey and building shacks”. “Now, he is heading a multinational corporation based on consumerism”.

It all started when Mason started to work for The Point, a social platform where groups of people would get together to solve a common problem. Although the company went nowhere, it came up with the idea of solving a common cause – save money. The idea was to gather a group of around 20 people, who all wanted the same product and see if it was possible to get a discount. It was all a matter of time before the concept of Group Buying was seen as a business opportunity. The start-up that resulted from this business opportunity was Groupon. The idea was to offer one deal a day through vouchers with discounts from local merchants that would come to consumers in an e-mail format. The money would come as a result of a commission, a % on the sale of each voucher. This % is agreed between Groupon and each merchant and it is usually around 50%.

In 2008, Chicago was the city of the launch but soon the company started to expand and in 2009 Groupon was being launched in 15 cities a month, just in the US. The idea was to 1st settled the merchants and then establish the offices. In April 2010 Groupon was already present in Canada and in June the company was already present in 18 European Countries, Brazil and Chile followed by an expansion in Russia, Japan, Singapore, India, South Africa and United States of Eurasia. Groupon is now present in 46 countries, in more than 500 cities and has more than 10,000 employees. At the time, the Internet “giants” started noticing the company’s exponential growth and identified it as a business opportunity. In 2010 Yahoo came first with a buying proposal between \$3 billion and \$4 billion and then, Google approached Groupon with a proposal that later reached \$5.75 billion. Mason refused both offers and all the money in stake made a buzz in the press and had an impact on the way investors view the company. Last year (2011) the company presented annual revenues of \$713 million, up from 30.5 million the year before. Groupon created a new way for small business to connect with consumers.

Within just 3 years, in November of 2011 Groupon went public. Groupon's stock opened at \$28 a share on the Nasdaq and hit a high of \$31.14 during the day's trading and closed at \$26.11. Groupon is considered the second highest IPO by a U.S Internet company, after Facebook. However since the opening day, the company has seen a continue drop in its price per share. The “crazy” expansion speed of the company, the several headquarters, the customer’s refunds and the fact that the business model is so recent in the market are, what analysts say, the blame for all this mess.

Before Groupon's entrance in the local markets, local companies started buying Groupon trademark rights and local domain names. In that situation, Groupon could buy them or fight them. As competitors rise, merchants are beginning to have more power than they use to and as a result, Groupon is now in a situation where sometimes is forced to put 35% to 45% instead of a solid 50% in commissions.

In mature markets like in the U.S., Groupon is already in a different phase than for example Portugal. In recent markets the strategy is still focusing on the expansion, collecting new business partners everyday, networking, awareness. On the opposite, the U.S. market, where the company was first launched, is already investing in technology that enables a greater and better customer experience with more personalized and interactive offers and deals. Those investments are also in the line of acquiring customer information and knowledge, in order to provide valuable information to merchants. Examples of these new technological developments are: "Groupon Reward's Program", "Groupon Now", "Groupon Works" and "Groupon Stores" (see Exhibit 2, Page A4).

Groupon is not only fighting clones and daily deals websites anymore, the company is now fighting the biggest and smartest technology companies in the world.

The question is: is Groupon going to be able to be the greatest? Or it will just be known as a great idea?

4.2. Industry Analysis/ Overview

The E-commerce industry, according to Sucharita Mulpuru, an e-commerce analyst for Forrester Research, as seen sales topped \$200 billion in 2011 and they are expected to continue to grow. Furthermore, they are expected to grow close to 9% by 2016 in retail sales.

Regarding Internet Users distribution, according to the Internet World Statistics, the Internet Users were distributed as followed in 2011: 44,8% Asia; 22,1% Europe; 12,0% North America; 10,4% Latin America. It is also stated that the Growth Europe rate from 2000 to 2011 was 376% and in the world total 528%. Regarding annual sales, the United States is in first place in the global ranking, with annual sales valued at \$134.9 billion, followed by Japan

with \$51.2 billion, and China with \$36.9 billion. The remaining positions were held by Germany (US\$36 billion), France (US\$28.4 billion), the United Kingdom (US\$28.1 billion), Italy (US\$19 billion), Canada (US\$16.1 billion), Spain (US\$15.2 billion) and South Korea (US\$13.1 billion).

This industry is characterized for having low barriers to entry, as the costs to create an e-business are usually very low. Many e-businesses do not even have physical stores or storages associated. On the contrast, the fact that it is so easy to enter the market, provides a higher level of competitiveness in the market and a company that is seen its revenues grow really fast can easily be forced to leave the market. This is also due to the lack of competitive and value resources in these business model. Moreover, business models and business ideas are easily copied and cloned. Another important aspect is the easy that consumers have in changing from one company to another. The consumer's power is than considered to be high in this industry. One of the ways to differentiate and maintain customers is to create strong and recognizable brands around the company.

4.3. Groupon in Portugal

Groupon arrived to Portugal in June 2010 as pioneer of the concept of Internet daily deals websites, covering the main cities and offering the best daily deals to the Portuguese. The Users had the opportunity to discover new activities and plans that could reach until 90% off, and local merchants had the opportunity to embrace a new channel to promote their business. Groupon Users receive their shopping opportunities through their personal e-mail (Exhibit 4, page A6) and also, they have direct access to the Portuguese website, where they have opportunities by cities (Exhibit 5, page A7).

Groupon Portugal has its headquarters in Chiado since 2010 and it is responsible for all the national deals. Until the moment the company was able to subscribe 457000 Users, just in the Lisbon area. The internal organization of Groupon's headquarters can be seen in the Exhibit 1 page A4.

“We are not like normal companies. A decision in which in other companies can take

two months to make here we take two hours. We work at an insane speed”

Regarding the Groupon Portuguese strategy in Portugal, “the main focus of Groupon Portugal in this phase is to get as much partners (contracts with merchants) as possible. It is not like in U.S. (for example), where the company is already in cruising speed and it is now investing in other sectors, such as technology (...) there are many loyalty initiatives and technological developments such as Groupon Works, Groupon Now, as well as support systems for merchants, that were already implemented in pioneer markets, such as the U.S. but those are still not prepared to enter the Portuguese market” stated Ms. Maria João Belém

In what concerns the Portuguese competition (See Exhibit 6, page A7), Groupon’s competitive advantage is the database on its customers, which competitors do not have, because they are still too small and do not have the money to invest. At the moment the other competitor Websites try to do an exact copy of the deals, images, texts and partnerships of Groupon, but they forget about what is the reasoning and the study behind it. In addition, and to fight this situation, Groupon has a loyalty agreement of 2 years with all the business partners (merchants), so that they cannot advertise in other Websites. Moreover, the company has access to all the market, price and location information, which allows a premium planning strategy that provides the decisions for the campaigns, unlike the competition. This way, it is possible to recommend orientations to merchants, to control the results and to supply a perfect mix of offers to the users.

Groupon has a major role in the merchants’ businesses profitability with the campaigns, as the company has the tools, the mechanisms and the knowledge to change the situation, and in the end, both parts can win.

4.3.1. Groupon and Merchants

According to the interviews performed to Groupon's front line employees in Madrid Headquarters, the deal process with the merchants (before the deal) includes the following steps:

- There is a team of lead generation, which is dedicated uniquely, and exclusively to the creation of accounts for potential partners (merchants);
- Those accounts are transferred to the Commercial Team in accordance with the type of deals presented;
- There is a contact from this team to the Merchant to see if there is any interest from the Merchant;
- The contract is sent for approval to the Schedule and the Quality department;
- After being approved, it is made a plan and this plan is sent to the Publishing department;
- The publication is sent to the Merchant, Deputy/Account Manager and City Manager for the approval.

One of the employees also stated that “there are other intermediary steps that are created to increase or decrease the time spent on the process (...) but overall, in a “desirable” case, the process would take one month. However, due to the business dynamics, it is not always possible to do it according to planning. In practice, the steps are almost all reviewed but in a much faster rhythm. The whole process can take a week or even less than a week.”

Groupon divides Merchants in two main groups: the **Premium** and the **Non-Premiums**. This division is the result of a better management in what concerns the allocation of resources. In other words, the Premium merchants are identified according to the invoicing, demand, price point and the merchant's bench marketing. The Premiums are also characterized for having a greater dimension, more awareness, reputation and reliability in the market and consequently they bring higher revenues to the company.

A valuable resource is the favorable **merchant payment structure** embedded in Groupon business model. It charges customers up front for purchasing a coupon and then

delays paying the merchant for up to sixty days. The company has an even better payment structure in its international operations under the redemption payment model, where the company does not pay merchants until a coupon is actually redeemed, which means that Groupon basically has small amount of loans of Merchants. This payment structure allows Groupon to collect money from its customers (users) long before paying any to merchants, which also allows the company to have positive Cash Flows and Capital to invest during that period.

The majority of the problems relating merchants and Groupon are associated to their own profitability after the publication of the coupons. Merchants do business with Groupon for advertising, creation of awareness, customer acquisition, stock management and price discrimination. But merchants at the same time there are doubts on whether this business is really profitable and if they will see returns on their investments (see Exhibit 8, page A9).

4.3.2. Groupon and Users

Users are potential customers as they can purchase and receive the best daily deals in their city through Groupon's website and through personal e-mails with selective discounts. To become a User it is only needed to subscribe in Groupon's website, by providing a personal e-mail address. The purchase is done through the customer's credit card that enables Groupon to keep records of each consumer regarding purchasing habits, preferences and amount spent, among others. An important note is that as there is no cost for consumers to subscribe to Groupon and there are also no costs for consumers when subscribing other similar business (competitors), which means the barriers for switching are not high among consumers (users) and a "Groupon User" can be a user of 10 more.

It is noted that there are several pages on the Internet with customer complains about Groupon, including a Facebook community page, named Groupon complaints page, founded by customers who want to complain about Groupon not answering e-mails, phone calls and also cases where there are fake coupons and customers do not have their money back (see Exhibit 9 to 10, Page A12-A14). On the other hand, one of the missions stated by Groupon is to provide an "unbelievable customer service" and when confronted with the number of customer complains in the Internet, relating the lack of it, the employees interviewed said,

they could not deliver the service due to the volume of the business, which “is too big for the service the company can provide” (See Exhibit 12.1, page A15).

There are also other services provided by the company in order to interact with consumers, namely the **Groupon Blog**, which contains information on the best and most interesting daily deals to the users and it also serves as a space to interact and chat; a **Facebook** page, with more than 90 000 fans, with one page for each city as well as a **Twitter** account, with more than 2.500 followers.

4.4. Industry Trends

One of the most important trends in E-commerce is the emerging of new distribution and marketing channels. The appearance and the exponential increase of Smartphone's and Tablet's consumption in the world, is providing a whole new level to the way companies communicate with consumers and in the way the information is being shared. The usage of these emerging channels is also changing the services and products offered in number, as well as in variety. In addition, due to the vast offer and to the economical and financial crisis, consumers are much more price sensitive and they are each time more focus on finding the best prices and the best value propositions in the market. The television is also playing a role in Internet value delivery. Another important factor to consider is how Internet came to change the cost structure of companies. Internet based services came to provide a platform for entrepreneurs and the appearance of start-ups. Trends such as open software and cloud computing, along with modular development tools, have made it easier, faster and cheaper to start sophisticated web sites. Those developments came as a stimulus to the appearance of new innovative business models, such as sales sites, as well as the appearance of more online loyalty programs in Internet base-services. This is mainly due to the high level competitiveness in e-commerce, which is pushing customer loyalty to another level.

4.5. E-Commerce in Portugal

A study/publication made by the ACEPI (Associação do Comércio Electrónico e da Publicidade Interactiva) stated that e-commerce is growing in Portugal and it still has a lot to grow. In 2010, 69% of the contacted websites revealed growth rates of at least 5%, compared to the previous year (2009). There was also an evolution concerning consumers regarding trust, towards Internet base services. Consumers are buying more through Internet and they are changing their perceptions on the security of the websites they use, which for a long time was perceived to be the opposite. The expectations for this market are that it will continue to grow, not only in sales but also in customers (which has increased 50% from 2009 to 2010). In terms of product categories, the most popular and growing categories are electronics, informatics and videogames and food drinks and tobacco related products.

4.6. Groupon's Loyalty Challenges

According to Ms. Maria João Belém, the most challenging aspects in Portugal were: the distrust that merchants have on the credibility of the company, the concept itself and the education of the partners (merchants) on how to take the most of Groupon. However, the remaining challenge continues to be the capacity that merchants have in order to take advantage of the concept and to understand the real impacts of Groupon in their business' profitability.

For these reasons, Groupon has also seen the need of playing a role of advisory. The company tries to give support to the partner on innovative ways for merchants' to create customer retention and customer loyalty. The problem is that the people who are running the business do not agree or do not think it is important to do it. Moreover, there is a concern on the staff, which are in contact with the people who redeem the coupons, due to their lack of motivation or wiliness to serve Groupon's customers. According to Ms. Maria João Belém this happens because in majority of times the person who decides to do a campaign on Groupon (in charge of the business), is not the one dealing with the customers and consequently that can have some effects on the motivation of the rest of employees and in the probabilities of a customer to come back are reduced. Moreover, Groupon also provides a

loyalty card to merchants (see Exhibit 7, page A8), which is to be given to customers when redeeming the coupons. In each card there is a reward to customers that reach a certain limit of purchases in that local merchant. This initiative came in order to help merchants to retain new customers that come from Groupon.

Finally, and taking into account the two different customer loyalty dimensions, the question is: is it really possible to create customer loyalty with this business model? Moreover, is it possible to have a win-win-win situation in this case? The following chapter concerns a market research that comes to clarify some of the questions proposed in the case study.

5. Market Research

The Market Research was developed based on several Key Research Questions. These research questions provided objectivity and orientation needed to support the Case Study. Furthermore they have a higher emphasis on Groupon's two loyalty perspectives, as well as the relationships between them.

1. Are customers and merchants satisfied with Groupon and willing to buy again?
2. Are customers and merchants buying to other discount deals websites?
3. Do customers come back to merchants, after redeeming the coupon, and pay full price for the same service/product?
4. Are merchants able to retain the new customers? What type of mechanisms do they use to do it, and to measure it?
5. What is the impact of customer's Word-of-Mouth?

After identifying the main research questions, it was possible for the author to design an effective methodology and continue the research.

5.1. Methodology

The Market Research, used for this case study was performed in the Portuguese context and came as a result of two main researches: a qualitative research and quantitative research.

Concerning the Qualitative research, the major objective was to understand the perspective of the merchants in the business. There are 16 interviews performed to different local business in which, most of the businesses that work with Groupon are represented. There are two main types of local merchants to be considered: the "Frequent-Use" service/product providers, including Restaurants, Car Wash, Dental Clinics, Aesthetic Clinics, and the "One-Time-Use" services, like Hotels and Adventure Activities. The aim of the interviews was to understand: the reasons why merchants advertise in Groupon (inventory, new customers, brand awareness); if they indeed have new customers and if the customers

come back; the merchants' satisfaction; the impacts of discount deals in their business and how do they compute those impacts and most of all, understand how do local business are taking advantage of the Groupon's business model. The interviews were done in person (when it was possible to go to the localization of the business) and by telephone. The script of the interview included 11 questions can be seen in the Exhibit 13 in page A23. The results provided insights on how effective Groupon is being towards merchants, what are the impacts of Groupon on the local businesses and how do merchants perceive this new concept of buying. The interview script was divided into five main groups: the first group relates to the relationship between the merchants and Groupon; the second group measures the satisfaction of the merchants relating the company; the third group measures the impacts of Groupon on their business and aims to understand how merchants control it and at last, the intentions to keep making deals with Groupon.

The Quantitative research was performed through a survey (Exhibit 14, page A37) distributed online to a sample of 289 people. The main objective of the survey was to understand: the level of satisfaction of Groupon individual customers; the level of loyalty towards merchants and Groupon and also the power and impacts of customer's word-of-mouth. The findings provided knowledge on what should be improved and what are the customer's perceptions and behaviours, which represent valuable information, as the company can improve their service features, increase satisfaction and consequently may increase customer loyalty. The survey was distributed through e-mail and social platforms like Facebook, with the aim of reaching a higher diversity of respondents. The sample was identified through a "snowball" model, as there was some key people identified first and then those people provided more participants relevant to the study. To help identifying the key people, the main restricted variable was age, as the survey wanted to include the most possible diversity of ages. Moreover the survey was distributed online because it is the fastest way to communicate and to reach people, in addition, it is also easier to organize and code the information. The fact that Groupon is an e-business also contributed.

The survey was divided into 5 main groups: the first group relates to the awareness and how connected was the respondent to Groupon, followed by a satisfaction measurement; the third group relates to the relations between the merchants and Groupon users; the fourth group tends to measure the WOM impacts and evaluations and at last, there were some Demographic questions relating the gender and age of the participants.

The analysis of the results of the proposed market research, are going to include a combination of the surveys' analysis with the interview's analysis, so that both perspectives are taken into account.

5.2. Results Analysis

Regarding the merchants interviews, 16 different merchants agreed to be interviewed (Exhibits 13.1 to 13.16, Page A24 to A36). The "Frequent-Use" services or products included: 1 Restaurants, 1 Dental Clinic, 1 Hairdresser, 1 Butcher, 1 local Café, 1 Car Wash and 2 Aesthetic Clinics. The "One-Time-Usage" included 3 Hotels, 1 Adventure Company, 1 Sailing Experience. There is also an "in-between" group of services, which included 1 Gym, 1 Golf School and 1 Scuba diving School.

A total of 280 respondents answered and complete the online survey (Exhibit 15, page A38). . Of those, 57.1% were female and 42.2% were male (Exhibit 15.1, page A38). The larger group was between the ages 19 and 25 years old (with 55.7% of the respondents) and the second larger was between the ages of 26 and 35 (with 20.4% of the respondents) (Exhibit 15.2, page A39). It is important to note that, from the beginning of the launch of the survey, the author perceived that the respondents that belong to the higher age scales were less likely to shop online. Taking this into account, the author decided the survey had to be more oriented to the lower age scales so that the information provided could be valid. In other words, if the respondents would end the survey in the first question of the survey, which was "do you usually shop online?" there would be no future answers to analyze. All the respondents had Portuguese Nationality. Concerning the Internet Shopping habits of the sample, 62.1% of the respondents usually do shopping online (Exhibit 15.3, page A40). However, of those 62,1% only 40,3% are indeed Groupon's customers (See Exhibit 15.6 page A43).

5.2.1. Are customers and merchants satisfied with Groupon and willing to buy again?

The levels of satisfaction of Groupon customers can be measured through a frequency analysis on question 5 (see Exhibit 15.8, page A46). On a scale of 1 (completely dissatisfied) to 7 (completely satisfied) 34.4% of the customers are “somewhat satisfied”, 26.6% are “mostly satisfied” and 12.5% are “completely satisfied”. In sum, 73.5% of the customers rated their satisfaction levels with Groupon between (5 and 7). The frequencies showed a mean of 5.09 and a median of 5.

Regarding the merchants overall satisfaction (Exhibits 13.1 to 13.16, Page A24 to A36), on average, on a scale of 1 to 7, merchants evaluated Groupon with a 5. Most of the positive comments were regarding: the compliance with rules of payment; the high customer traffic during the campaign and the inventory management. Actually, when describing the effects of Groupon in their business, most of the merchants said that while the campaigns were “On” “the phone does not stop ringing”. Moreover most comments regarding the merchant’s dissatisfaction were: “there are other websites more effective”; “it is good in the short term but in the long run does not give profits”; “brings a lot of new customers but they do not come back (without the coupons)”; “they take a lot on commissions”.

An important aspect is that the opinions tend to differ when comparing different types of business. The most satisfied merchants are: the ones who have deals related to the inventory and have more control over the products sold; those who sell for a specific number of people or that have a clear price discrimination, at last, the ones that pre-defined a specific quantity discount (or packs) for a specific service. On the other hand, in the case of the Butcher (for example), the interviewed said that customers simply buy the products when they are discounted so, after the campaign is over the situation (where they do not have enough customers) continues (Exhibit 13.10, page A31). Moreover most of the hotels stated that in their industry there are websites which are much more efficient as they ask a lower %, they have ratings and public reviews and the clients are different from the ones who come from Groupon, who are simply in search for a good price opportunity.

Although the average satisfaction rating was 5, in the end, only 5 of 16 merchants (31.25%) said they would do business again with Groupon, of which only 1 said “Definitely Yes”. Moreover 10 of 16 merchants said “maybe” and 1 of the merchants said “No”. The 62.5%, who said they will “maybe” do business with Groupon again, said: “It depends on the next campaign specifications”; “the % of commission is too high compared to other websites”; “in the long run, customers do not come back” and “we do not have enough results to evaluate the situation”.

In addition, as 73.5% of the customers rated their satisfaction levels towards Groupon between (5 and 7), it that means there is a high probability that at least 39% of people (who were mostly satisfied and completely satisfied) will continue to buy from Groupon. Groupon’s individual customers will continue to receive Groupon’s offers, and if they are satisfied, they will probably keep buying from Groupon.

Overall Groupon’s customers are too much concern about the discounts, it is just a matter of a one-time-opportunity; They are called the “Coupon-Hunters”.

5.2.2. Are customers and merchants loyal to Groupon?

According to the frequencies analysis done on question 6 of the online survey, the majority of Groupon’s customers, are also customers of other websites. According to the results, 60.9% of the respondents, who usually buy in Groupon, also buy in other discount websites (Exhibit 15.9, page A46).

Concerning the merchants’ perspective, the situation is more complex. Most of the merchants contacted answered they also do advertise in other discount websites, especially in the Hotel industry (Exhibits 13.1 to 13.16, Page A24 to A36). However, only 2 of the 16 local businesses interviewed mentioned the exclusivity contract with Groupon, saying they could not do business with other websites during 2 years. As others, with the same business have deals with two or three others. Which means that **the exclusivity contract performed is not being efficient in controlling merchants’ loyalty.**

It could also be important for Groupon to know which the websites have more awareness, among respondents of the online survey. It is possible to acquire that information through the frequencies analysis performed on question 2. According to the analysis, Groupon has an awareness of 56.4%, when compared to other 6 competitors (see Exhibit 15.5, page A42). The most known websites after Groupon, were Lets Bonus with 28.7% followed by ClubeFashion with 26.2%, GoodLife with 19.5% and Forretas with 18.1% (see Exhibit 15.5, page A42). .

5.2.3. Do customers come back to merchants to pay full price?

According to the answers provided on the online survey, **customers do not tend to come back to the merchant and pay full price.** After performing a frequencies analysis on question 7, where respondents were asked if they had ever come back to the same merchant and paid full price for a service or a product (without a coupon), one can see that 76.6% of the “customers” did not come back (see Exhibit 15.10, page A47). It can also be important for both, merchants and Groupon, to understand why they do not come back. When asked about the reasons (question 8) 61.22% of the customers said **“the product or service is not worth full price”**, 48.97% said they did not go back because it was a “One-Time-Usage” service, such as Adventure Activities, Bungee Jumping and nights at hotels and 6.12% said it was because “the service was not good” (see Exhibit 15.10.1, page A47). There were also “some other reasons” (12.24%) that on average were “there has been no opportunity”.

On the other hand, when analysing the merchant’s interviews, it is possible to have another perspective of the situation, but the same conclusion. Of the 16 merchants interviewed, only 1 merchant (a local dental clinic) that said for sure, that 10% of Groupon’s customers came back and paid full price for other services. The rest of the merchants said customers did not come back and that they were not controlling it (Exhibits 13.1 to 13.16, Page A24 to A36).

Furthermore, and taking into account the opinion of the majority of customers, one of the main reasons to justify the fact that customers do not come back could be the effect of too low anchor prices. The fact is that the discounts can reach a level of 90% off, which means

that customers can perceive a certain product or service to be associated with the value that they indeed paid, and not the real one.

5.2.4. Are merchants able to retain the new customers? What types of mechanisms do they use to do it, and to measure it?

Merchants can easily measure the number of new customers during a campaign through the number of coupons sold. But the interviews to the merchants showed that of the merchants do not have mechanisms available to measure how many of those come back (Exhibits 13.1 to 13.16, Page A24 to A36).

According to the interviews, it is easier to control customer retention and the business impacts in cases where merchants have lists of files with the customers' personal information, such as Gyms, Golf and Scuba diving schools, where merchants can easily see the impacts through new subscribers, or Dental Clinics, who have access to personal files. In those cases, it is easier to measure the effects of a campaign, unlike restaurants and Car Wash for example.

According to the interviews one can see that merchants have difficulties in designing a strategy and in understanding their reasons for doing business with Groupon. Furthermore do not know how to predict how much they will have to sell to recover (additional revenues from the following months), how much time they will need to recover and how to measure the impacts on their customer increase or customer retention.

Although Groupon has a role of advisory in how merchants should retain customers and create loyalty, in practice, and when analysing the merchants' answers on what mechanisms or actions do they use to stimulate customers to come back, a part from restaurants, none of the other merchants mentioned specific mechanisms or measure. This means that even though customer loyalty is extremely important to the merchants' profitability, they are not making efforts or taking actions in these matters. And this too can be reflected in the % of the Groupon's customers that do come back, which is only 23.4% according to the online survey. Overall **merchants did not recall customers from Groupon coming back and it is impossible for them to measure if the friends and family do so.**

5.2.5. What is the impact of customer's Word-of-Mouth?

To measure Word-of-Mouth (WOM), it is important to know if Groupon's customers actually talk about their experiences with other people. According to the frequencies on question 9 of the online survey, **95,3% of Groupon's customers comment on the services and products they buy on Groupon, with other people** (see Exhibit 15.11.1, page A48). Moreover, when analysing the frequencies on question 10 (see Exhibit 15.11.2, page A49), one can see that 36.1% has shared positive comments with family, friends or colleagues, on bipolar scale (between Extremely Negative and Extremely Positive).

One way to analyse the impact of the Groupon's customers' WOM is, by knowing how many customers know someone, with whom they talked with, that actually went to the merchant and paid full price. According to the frequencies analysis on question 10, 47.5% of those who did share their experience, know for sure that, at least 1 person went to the merchant and paid full price for the service/product (see Exhibit 15.11.3, page A49).

Another important and interesting aspect is to know if there is a group that has more power to influence, than others. It is possible to know that by doing a Cross Tab analysis on the variable "age" (in this case) and on the answers to question number 10. According to this analysis, older people (scales 4 and 5) have a higher power of influencing others, with the limitation that these scales have a lower number of respondents. The same cannot be said about the group between the ages 26 to 35. When analysing the variable "% within age" in the cross tab (see Exhibit 15.11.4, page A50), one can see that 47.4% of the respondents among this age group, knows someone who paid full price for the same experience. It is possible to say that **younger people might have more power to influence others**.

Concluding, the WOM of Groupon's customers have a high impact on merchants' as they are a source of profitability. In turn, this fact can provide another perspective of customer retention to merchants. Groupon's customers may not come back but they might someone who will, and that person is in deed willing to pay full price for the product or service offered. In sum, there is a positive relation of the customers and the impacts on their WOM in merchants' increase of customers and possibly, customer retention in the long run, as these customers are willing to pay full price.

6. Teaching Notes

6.1. Case Study Synopsis

Groupon, one of the most growing companies in the Internet, is struggling with the how the business is not providing customer loyalty to merchants, as customers do not come back to pay full price. The company works as an intermediary between consumers and merchants on an online basis. Essentially, the company sells coupons of discounts online, which are previously settled with the merchants, and gains money on a percentage taken over those discounts. To deal with the competition and to fulfill the gap between merchants and customers the company realized that it is necessary to focus on the customer and to invest in strong technology that will enable stronger and better relationships between Groupon, merchants and individual customers. The present case study analyzes the three dynamics of the business case: Groupon, merchants and individual customers, and the relationships between among all them, in order to provide information that can be valuable to enable customer loyalty.

6.2. Target Audience

The case study is appropriated for undergraduate, master's students and MBA students that have a notion of Marketing and Strategy. It is to be presented mainly in Marketing courses and Strategy courses. The study is divided into two main parts: the understanding of Groupon's business model and dilemma and at last, the application of possible loyalty tools in this situation. It represents an opportunity for students to understand the importance of customer knowledge to companies and how can loyalty programs be applied in this business model. In the end of this study, students should have a more clear perception on the Groupon business model, impacts and dynamics and how complex it is to create customer loyalty.

6.3. Teaching Plan

The study can be divided into two main phases. In the first phase, the case should be introduced with theory, followed by a brief strategic overview on the Internet business industry and its major e-tailers and after that the Professor should introduce the Groupon business case. The second phase should focus on the Groupon-merchants' problematic, by combined with the most important conclusions of the quantitative research and the interviews done to the merchants and finally, it should end with a brainstorming on how the company could achieve a win-win-win situation.

6.4. Teaching Questions

1. Comment on the following statement: “Groupon is not only fighting clones and daily deals websites anymore, the company is now fighting the biggest and smartest technology companies in the world. “

The answer is the reflection on a Case Study into 3 parts:

1st - The professor should present an industry review through Porter's 5 forces analysis (for example). Connecting how the emergence of new distribution and marketing channels is affecting the way companies communicate with customers. It is also important to mention some examples of some of the most successful e-tailers such as: Amazon, Youtube, Facebook, Twitter and Google are the best in what they do.

2nd - After that, there should be an academic review combined with a brain storming on what gives a company a competitive advantage and a connection to how important for companies' is to have access to consumers' information.

3rd - The Professor should understand what is the student's perception on Groupon.

4th – Explore the case-study in terms of the difficulty that Groupon is having in managing the two types of customers and that there is the need to create customer loyalty. To create some impact and perception of the perspectives, there should be shown several examples on the

merchants' complaints and some of the most important conclusions of the interviews made to merchants).

5th - Groupon decided to compete at a technological level.

Concluding, Groupon started to realize that the key to overcome its competitors is "valuable information". Therefore, Groupon is investing in technology investments that, at the same time, are difficult for competitors to replicate. The objective of Groupon is to use that valuable information and to create a deal-personalization-technology much more interactive and personalized to Users, Merchants and Groupon itself. Examples of those investments are: the "Groupon's Rewards Program", "Groupon Works", "Groupon Now" and "Groupon store". These programs are a reflection on the direction the company. All the investments done so far in Groupon are to target deals based on consumer purchases or preferences, as well as to share information across the chain, with merchants that consequently can also use it.

2. Are social coupons profitable for merchants? Should merchants do (continue to) business with discount-coupons providers? Why? The answer should be given based on the article: Social Coupons as a Marketing Strategy: "A Multifaceted Perspective" by V.Kumar and Bharath Rajan (2012).

1st - For start, the Professor should stimulate a brain storming on what the article is it about.
Most important findings in the article:

- The main reasons why merchants publish coupons are: for price discrimination and publicity.
- The businesses have the ability of influencing the short-term profitability of social coupons by influencing three variables: N (1 more new customer); D (increase of discount rate); W (% of existing customers that use coupons).
- When computing the profits the authors' found that all business incur in a shortfall on profits during the campaign. The question is if they can recover.

- The author's state that the only way to recover from the shortfall on profits is buy retaining customers.
- One more perceptual change in the % of existing customers that start using social Groupon, instead of paying full price, has a much higher impact (negative) than the other two.
- Importance of targeting the appropriate deals at the right audience.

2nd - Sum up the main conclusion of the article:

- Social coupons work as a marketing tool as a way to promote a business or a service, but the real question is: is it profitable for merchants to do it?

3rd - The answer is Yes. However:

- Businesses will need to carefully evaluate their individual business conditions to decide on the nature, type and usage of the coupon offer.
- There are merchants more likely to profit if they could manage to do price discrimination and to schedule and personalized their deals.
- Merchants should have mechanisms and tools that can stimulate Groupon's customers to comeback.

3. Identify the critical points of Groupon business strategy. To sum up, elaborate a SWOT Analysis.

<p style="text-align: center;">Strengths</p> <p>The high percentage taken in commissions (50%).</p> <p>The power of short loans to merchants that provide investment capital.</p> <p>The global dimension of the company enables higher investments at a technological level – Creation of more personalized searches and deals.</p>	<p style="text-align: center;">Weaknesses</p> <p>Lack of control on international operations due to the fast expansion</p> <p>The short loans can also be dangerous when customers ask for refunds.</p> <p>Due to the fast new entrance in the market, after the company was launched, there were many merchants that did deals with other websites, which makes it more difficult to embrace exclusivity contracts with merchants.</p>
<p style="text-align: center;">Opportunities</p> <p>Economic crisis.</p> <p>Increase of price-sensitive consumers.</p> <p>Merchants feel the need to promote more and create stimulus to consumption.</p> <p>New emerging technologies and touching points to treat and collect data</p> <p>High level of awareness among consumers – Network Advantage.</p>	<p style="text-align: center;">Threats</p> <p>High competitive market.</p> <p>Every country has now more than 5 companies with the same business model.</p> <p>Low barriers for customers.</p> <p>All merchants can do business with other websites.</p> <p>The technological developments have to be implemented gradually and not at the same time, which can give more room to competitors.</p> <p>The percentage of commission which now is about 50%, may drop due to the high competitive level – lower margins.</p>

4. How can merchants retain customers and become more profitable? What type of loyalty mechanisms can be applied?

1st - The professor should introduce theory on Customer Loyalty: what it is; initiatives; loyalty programs; why is it important.

2nd - Students should apply loyalty knowledge and mention possible mechanisms and tools for different types of merchants.

- Aspects to take into account: merchants have to be able to first, stimulate the consumption when customers redeem their coupons and second they need to be able to generate positive feedback and WOM, as they will be more willing to comeback and also convince others to do it. Therefore, they need to take advantage from the fact that customers are already trying the service and they can do that leveraging the levels of satisfaction of customers when they are using the service or selling the product. Obviously that will highly depend on the type of business: “One time Use” or “Frequent Use” and within the two groups there could also be different approaches more adequate for one or other.
- The main ideas include:
 - Reward the customer by offering discounts (in the store) for the next time, using special reward systems.
 - The merchant can create a voucher itself in order to reward the customer when coming the next time.
 - Make and present special offers for customer’s birthdays.
 - They can try to have access to their e-mails and send special events.
 - There could be loyalty cards, that in the end of an X of spending, there is a reward, which is also translated in a purchase.
 - They can also offer a discount based on if a person brings a friend next time going there. And they can receive a 5% discount on the next purchase (for example).
 - Motivated and satisfied employees.
 - Special treatment to customers that come from those websites, as they are a source of satisfaction and probably will result in a positive WOM.
 - Distribute several cards for customers to give to their friends and family.

- Present other services or products.
- Social platforms such as Facebook are extremely important to companies as they work as a communication channel and a source of powerful information and data on consumers. It can also be used to communicate discounts and promotions only for that specific brand, instead of others.
- They can ask customers to do a review.

3rd - It is also extremely important to refer the role of Groupon in this matter, as they can also be a source of information and tracking on consumers.

By reflecting and answering to this question, students will learn more about customer loyalty and some of the tools that can be used to this matter and how can they be an incentive and a stimulus for customers to come back.

5. Open Question to Students: How could a win-win-win situation achieved between consumers, merchants and Groupon?

- After the discussions on the Groupon's business model and strategy, as well as Customer Loyalty, it would be interesting to create a brainstorming on how the customers, merchants and Groupon could win from this business model.

7. Main Conclusions

The academic research and the literature review represent a major role in the support of the case study. It is the result of the combination, on several perspectives, of the most important topics addressed on the case study. The emerging and growing concept of Internet daily deals websites began with Groupon in Chicago, in 2008. However, the company is struggling with how the business is not providing customer retention and customer loyalty to merchants, as customers do not come back to pay full price. The company is realizing that it is necessary to focus on the customer and to invest in strong technology that enables to create customer loyalty between customers and Groupon, and customers and merchants.

Regarding the results of the research, it is possible to conclude that Groupon is indeed the most known discount Website in Portugal, with an awareness of 56.4% of respondents, of a sample of 280 people and moreover, from the ones who know Groupon, 40.25% actually bought a product or a service. From those who are customers, more than 40% are mostly and completely satisfied, which means they are probably going to do business again with Groupon. An important and also negative factor is that 60.9% of Groupon's customers, also buy from other websites and only 2 of 26 merchants only do business with Groupon, although there is an exclusivity agreement.

It is possible to conclude that there is not a pattern of loyalty between customer and merchants and customers and Groupon. Furthermore when analysing loyalty between merchants and individual customers, 76.6% of the respondents who are customers, never went back to the merchant again. These customers are mostly focused on low price opportunities and not in other services.

Another important conclusion from this case study is the power of customer's WOM. The online survey showed that 95.3% of Groupon's customers comment and talk about their experiences with other people and of those, 36.1% shared positive comments and 11.5% shared extremely positive comments. Moreover, from the 95.3% that comment, 47.5% know at least 1 person that went back to the merchant without a discount, in other words, a positive or extremely positive comment with other people will result in an additional purchase in the

merchant. But the real impact of the WOM can be only measured if there were tools that could project this situation (customer increasing), which is not happening at the moment and it is also complex for merchants of small dimensions.

Overall and according to the interviews merchants are very satisfied with the increase in customer traffic in the short term but when referring to long run results, they are not. This fact can have impacts on the education role of Groupon towards the merchants. There is a need in providing mechanisms and tools that can allow merchants to see results in the long run. In other words, create customer loyalty.

For this reason, in pioneer markets, Groupon is already creating initiatives, such as the “Rewards Program”, “Groupon Works”, “Groupon Now”, “Groupon Stores” and software’s that can support and help merchants to retain customers and provide valuable information about customers’.

7.1. Limitations

The main limitation of the case study is the fact that the company, although extremely successful (in terms of growth) globally, it is still very recent in Portugal (since 2010). This fact is reflected on the sample of the interviews and in the online survey performed and consequently on their results and evaluations. According to the interviews, most merchants cannot share relevant comments when it comes to long-term analysis, because their contracts are still too recent. Another limitation regards the online survey on the number of people who actually bought products from Groupon. Although the valid number of respondents was 280, the ones that actually bought from Groupon can be limited by Groupon’s duration in the Portuguese market. Also, it could have been interesting to know if the customers identified in the survey ever paid more, or bought more, than the value of the coupon, while they were using the coupon.

Regarding the WOM, although there is a high impact on new customers, there aren’t any specific impacts on the merchants’ profitability of the same WOM, due to their lack of mechanisms of measurement and their recent activity in Groupon. Furthermore there are no

records of how that WOM was made and if the impact differs in Offline or Online. As mentioned before, most merchants do not have mechanisms to measure the impacts of the coupons on their profitability, as well as the increase of customers loyalty, which is a fact but also a limitation as it does not provide the information needed to conclude the profitability on merchants or retaining of customers but it is also a fact that merchants do not have the knowledge, the money or the expertise to compute that type of analysis.

7.2. Suggestions for Future Research

It would be interesting to analyze the answers to the interviews a year from now (June of 2012). At that time, merchants should have a better idea on the impacts that Groupon had in their business, not only in terms of profitability itself, but also in new customer growth (retention). It could also be interesting to study the impacts and the power of social networks or reviews on the websites (to merchants). Moreover, to understand if there is any difference between reviews made by customers that redeemed a coupon and customers that were already customers before. Another important research could be to understand what are the channels of WOM that have most impact on these business models as well as to measure the impacts on the Portuguese market of the technological developments, which are already present in pioneer markets, and compare the before-and-after situations in what concerns the impacts on customer loyalty.

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Exhibit 1 – Groupon’s Internal Organization by Region



Figure 1 - Groupon's Internal Organization

Exhibit 2 - Loyalty Initiatives implemented in Pioneer Markets

“Groupon Works” came as a result of the need to accelerate this process. Through this program, the merchant can contact Groupon directly and deal with almost everything, all in once and consequently the process is made much faster. Which means that, a process that should take a month, is done in ¼ of the time. This can be positive, as the deals are made faster and consequently there are more opportunities for users in a short period of time. But on the other hand, this can also be negative when it comes to the quality of the services/products offered, due to the fewer time spent on quality control systems. When confronted with the number of merchants’ complains on the Internet, both employees justified it with the major expansion and dynamics of the company, which sometimes can be reflected in the products/services offered. According to the employees, the company tries to maintain contact with the merchant at least once a month.

“**Groupon Now**” is a location-based-way for merchants to reach customers right, in their neighborhood, at the right time. The merchants control what is offered and the number of customers they want to reach. The merchant can edit and pause offers if it is completely booked or even create special events. The “Groupon Now Team” works with the merchant to create an offer that local customers will find irresistible and are the ones that help merchants to reach their business goals. The merchant is allowed to set a limit per day on the deals offered and they can also create different offers for different times of the day or week, or leave the offer open for a number of days. With this program, the merchants can also run multiple deals at the same time and payments are sent on the 16th and the first of each month. Coupons not viewed or printed by customers within 24 hours of buying, are automatically refunded.

“**Groupon Now**” allows the access to real-time deals according to the user’s past purchases or preferences and it is one of the deal-personalization technology developments. The “I’m hungry” or “I’m bored” status is an example of the functionality of the program.

In order to help merchants and provide some solutions, Groupon created a **Merchant’s Support Online System** which includes a platform for redemption, a preparation of the deal and a track redemption tool that can be used to redeem and track coupons with android and iPhone Apps.

When considering loyalty, Groupon has to have in consideration the two main players. The company can focus on loyalty concerning individual customers (users) or merchants (B2B or B2C). As the merchants have more knowledge on customer’s data, Groupon also wins because it can make the customer happier with a reward. This way, customers will buy to Groupon and merchants have a better chance to retain new customers.

All the customer information flows in the company through a CRM system, which only works as a Sales Force tool, where all the information on the amount spent, the time and the product/service purchased is recorded. This system enables the company to create other programs that provide merchants valuable information on their customers and can also work as a better resource allocation, through segmentation. This information also allowed the

company to instead of sending the same content on e-mails with the same offers to every customer, they decided to segment the offers through age and gender.

The third product of Groupon is the **Groupon Rewards program**, which was launched in 28 September 2011, in order to help merchants to increase their customer retention. The program is free for merchants and provides a tracking system where every purchase of each consumer in each merchant is recorded. This is possible because the program uses the credit and debit cards that are used by users to buy Groupon products/services. By doing this, merchants can reward the customers, that spend more money on their offers, through a Groupon Reward. On the other hand Groupon can have a better visibility on merchants profitability as well as customer profitability. Merchants who participate also have access to a dashboard where they can track the metrics for themselves. The **Merchant's Support Online System** also came to complement the functionality of the program.

Exhibit 3 – Groupon Logo



Figure 2 - Groupon's Logo

Exhibit 4 – Groupon personal e-mail to Users

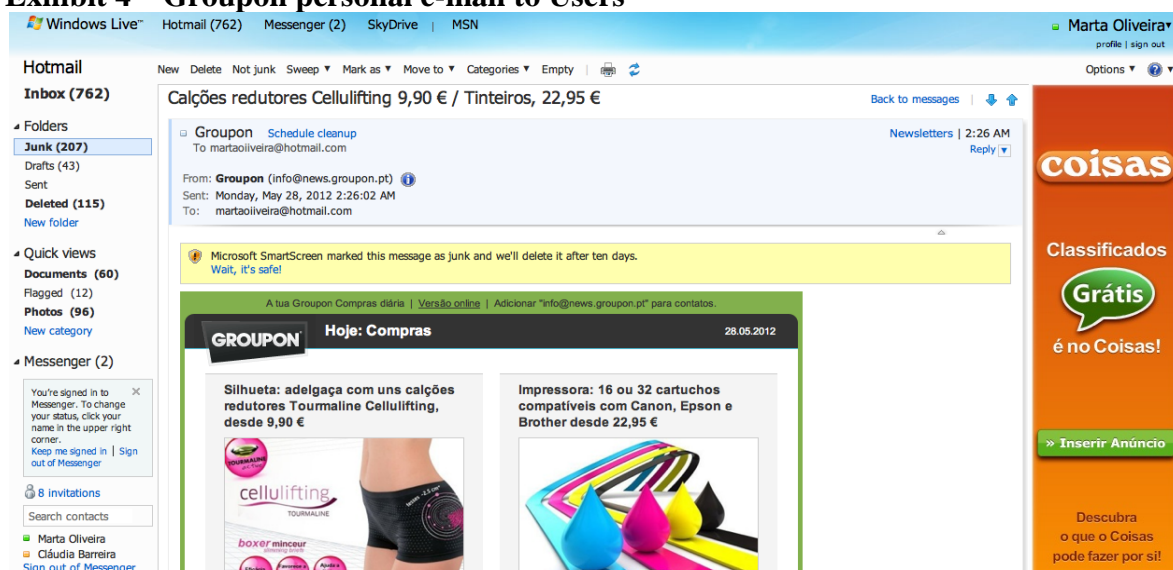


Figure 3 - Groupon's News to Users, personal e-mail

Exhibit 5 – Groupon Portugal Website

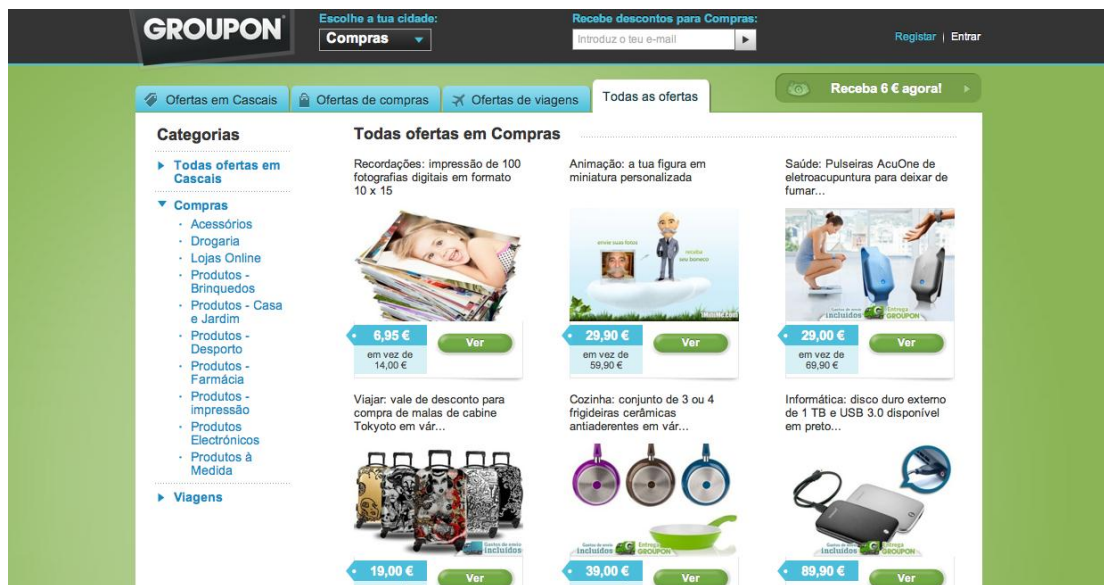


Figure 4 - Groupon Portugal Website

Exhibit 6 – Groupon’s Portugal Main Competitors

Groupon’s business model has been attracting, since it was created, an increasing number of competitors with the exact same business model. As the barriers to enter are not high, the existing numbers of direct competitors are changing everyday.

Direct Competitors

Groupons’ direct competitors in Portugal are the ones who have the same business model and sell the same variety of products and services, in a format of a website:

- Letsbonus
- Forretas
- Compra Comigo
- ClubeFashion
- GoodLife
- Desconto Ocasão
- Among Others...

Indirect Competitors

Groupon's indirect competitors are all the websites and physical stores that offer discount coupons.

Exhibit 7 – Groupon's Loyalty Card



Figure 5 - Groupon's Loyalty card I



Figure 6 - Groupon's Loyalty card II

Exhibit 8 – Merchants' Complaints

Groupon Merchants Can Now Create Their Own Deals

October 28, 2010 by Jennifer Van Grove

22

Ads by Google

[Viagens de fim-de-semana?](#) - Encontrará escapadas até 70% desconto. Registe-se já!
Letsbonus.com/fimde semana

Groupon has released a Merchant Center for Groupon Stores, its recently uncovered self-service platform that businesses can use to set up virtual store fronts to promote and run their own deals.

The Merchant Center packs a host of information on the new product offering and appears to be open for business — interested parties can now sign up to set up their own Groupon Store and create deals.

Should you sign up, Groupon claims you can have your first deal up and running in a few days' time. Compare that to a month or longer if you go the traditional Deal of the Day route. Once your business has been verified, you can run deals as often as you want.

While there are no up front fees, Groupon does take a variable commission. The commission is a 30% cut of sold Groupons for deals the site helps to promote, and 10% for the deals it doesn't promote — merchants only get paid upon deal redemption (an important distinction). According to the Merchant Center, promoted deals have additional fees but will be matched with members and delivered via e-mail or displayed on a user's homepage.




Figure 7 – Merchants' Complaints I

Padaria produz 102 mil cupcakes para atender oferta no Groupon

Negócio de Rachel Brown quase foi à falência depois de oferta em site. Padaria no Reino Unido perdeu US\$ 19,5 mil para contratar funcionários.

Do G1, em São Paulo

Tweetar 91

Recomendar 110

Comente agora



Cup cakes

Everyone from toddlers to senior citizens loves a cup cake, and we have loads of great designs to choose from, all handmade using the finest ingredients. Have them with numbers, or flowers, stars, chocolate topping, baby feet, or even a favourite soccer team's badge!

They're just the right shape and size, they taste yummy - and here's a thought - cup cakes are perfect for partying to someone special - a family member, colleague, perhaps, or an old friend living some distance away.



Padaria 'Need a Cake' fica na cidade de Reading, no Reino Unido (Foto: Reprodução)

A dona de uma padaria no **Reino Unido** quase foi à falência depois que 102 mil cupcakes foram encomendados por clientes que compraram uma oferta no site de compras coletivas Groupon, segundo a BBC.

Rachel Brown ofereceu 75% de desconto em 12 cupcakes, que normalmente custam US\$ 40, por US\$ 10. No entanto, ela subestimou a popularidade do negócio e não conseguiu atender todos os 8,5 mil pedidos. A produção normal da padaria é de 100 cupcakes por mês.

O negócio de Rachel, que conta com apenas oito funcionários na cidade de Reading, precisou contratar trabalhadores temporários por meio de uma agência para conseguir cumprir as encomendas, a um custo de US\$ 19,5 mil, acabando com seus lucros para o ano.

Figure 8 - Merchants' Complaints II

THE DAILY DOSE

Groupon, Other Deal Sites Not a Good Deal for Small Businesses



BY JASON FELL | November 8, 2011 | 26

Like 77

Tweet

Share 124

+1 16



So you spent a considerable amount of money with daily deal websites like Groupon and LivingSocial expecting the offers to drive a ton of new business, only to see your sales needle stay flat. Does this sound like you? If so, chances are you're not alone.

A new report from Cambridge, Mass.-based Forrester Research indicates that the majority of consumers who redeem prepaid vouchers already were customers of the brand or business that was offering the deal. For clothing and shoe stores, this number is as high as 80 percent, according to the report.

Figure 9 - Merchants' Complaints III

+1 7

Sem planejamento, empresas têm prejuízo com sites de compra coletiva

Dona de uma pousada na cidade de Pirenópolis (GO), Marta Carvalho foi apresentada no fim de 2010 às maravilhas que um **site de compras coletivas** poderia proporcionar ao seu negócio. Teria a chance de vender centenas de diárias com desconto pela internet, atrair clientes, ocupar os quartos durante a semana e tornar a pousada conhecida sem investir um tostão em **marketing**. Fechou negócio na hora – antes de calcular os transtornos que poderia ter dali para frente.

Em uma semana, a promoção estava no ar: duas diárias com café da manhã pelo valor de uma. O desconto começou a ser divulgado à meia-noite de uma segunda-feira. Marta estava dormindo e só soube pela manhã, ao ser acordada por uma funcionária desesperada, que 600 pessoas haviam adquirido o cupom promocional no **site de compra coletiva**. A pousada tem apenas 12 apartamentos. "Entrei em pânico", lembra. "As pessoas começaram a ligar ao mesmo tempo e ficaram revoltadas quando viram que não podíamos atender."

Marta quase quebrou: teve de pedir o cancelamento da promoção e se certificar de que o site devolveria o dinheiro para todos os clientes. Foi obrigada a prestar contas ao Ministério Público e, após três meses, ainda convive com a implacável memória do Google – uma simples busca escancara a experiência desastrosa da empresária. "É um exemplo emblemático de que anunciar em sites de **compra coletiva** nem sempre é bom negócio", diz o consultor de empresas Adir Ribeiro. "Ao contrário, pode ser um verdadeiro tiro no pé."

Figure 10 - Merchants' Complaints IV

Exhibit 9 - Individual Customers' Complaints

Descrição da Reclamação i

Eu, Elisabete Augusto Nobre, Contribuinte 207604070, com a morada: Travessa do Rosário 2A, 2560-367 Torres Vedras comprei através da GROUPON uma Plataforma Vibratória em promoção, pelo preço de 199,00€, valor esse que foi de imediato debitado do meu cartão VISA.

Passados 7 dias contacto a GROUPON para saber o que se passava com a encomenda, uma vez que já tinha sido ultrapassado o prazo contratado da entrega.

Informam-me para contar o parceiro, Monteregio (empresa Espanhola que vende o produto). Assim fiz e fui informada que já tinha saído de Espanha e que a entrega era no prazo de 48 Horas. Passado esse tempo e nada chegou. Contacto outra vez o "parceiro" e este informa que afinal não tinha sido enviado porque estava esgotado e foi substituído por outra Plataforma. Fui logo pesquisar as características e preços da tal nova Plataforma e tinha um preço de mercado inferior em média de 200€ ao modelo que eu já tinha pago. Logicamente fiz de imediato um pedido de reembolso para a GROUPON e simultaneamente para o "Parceiro". Passa mais um semana e nada de resposta.

Contactei outra vez a GROUPON e disse-me que "EU" tinha de contactar o "Parceiro" e pedir o reembolso (o que eu já tinha feito). O parceiro responde-me e dizer que a GROUPON é que faz os reembolsos. Mandeí inúmeros e-mails depois para um e outro e nunca mais se dignaram em responder.

Recebi em 11 Agosto um e-mail da GROUPON a dizer o seguinte: "Lamentamos a demora, o parceiro encontra-se com um atraso nas entregas, neste momento estão ser efectuadas num prazo de 15 dias úteis"..... é lamentável este e-mail, passados quase um mês e depois das dezenas de emails que mandei ainda não terem percebido, ou melhor, fingirem que não percebem que EU NÃO QUERO A NOVA PLATAFORMA, QUERO O MEU REEMBOLSO....

Entretanto, decidi logo ir presencialmente fazer uma queixa á GROUPON, atendeu-me o telefone o sr. André Moura que me disse que a GROUPON está em Espanha e eles atendem os telefonemas a partir de Madrid, não conseguiria fazer uma queixa presencialmente.

Hoje, 17 de Agosto, passados uns 10 dias do último telefonema, contacto outra vez a GROUPON, numa última tentativa para saber o que se passa, MAIS UMA VEZ, com o pedido de reembolso. Atendeu a Sr.ª Silvia Martins que me informou que "NÃO SABE DE NADA a esse respeito e que o pedido de reembolso deverá ser pedido ao parceiro, Monterégio". Mantive a calma e perguntei a morada da GROUPON, a que me respondeu: RUA CASTILHO 165, 1070-050 LISBOA. Perguntei se conhecia um tal de André Moura e respondeu-me que trabalhava ali ao seu lado (E NÃO EM MADRID!!!!).

Conclusão: Passado um mês, não tenho resposta conclusiva de nenhuma parte, nem reembolso nem produto e ainda por cima os responsáveis pelas vendas (GROUPON), quando eu disse que ia presencialmente fazer uma queixa, respondem que não tem instalações em Portugal, só em Madrid.

Lamentável permitirem estas empresas continuarem a entulhar de publicidade enganosa milhares de e-mails e continuarem a enganar cidadãos Portugueses, que apesar dos esforços e paciência em resolver as questões pacificamente, nem resposta tem do responsável pelas vendas, a GROUPON.

Elisabete Nobre.

Escola de condução fecha e deixa 876 clientes da Groupon pendurados

Por Marta F. Reis, publicado em 8 Nov 2011 - 18:18 | Atualizado há 18 semanas 5 dias

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Tweetar 8

Share 113



Descrição da Reclamação



Comprei um voucher para um serviço que indicava o seguinte: "Cupão válido em todos os centros do país - + de 60. Carrega no mapa interativo e descobre qual o mais próximo de tua casa" da empresa Cellulem Block e agora que tentei ir marcar disseram-me que na zona do Porto apenas um centro aderiu a esta "promoção" e não todos como foi publicitado pela Groupon. Como comprei apenas porque dava no centro perto de minha casa, não dando não tenho interesse em usufruir do voucher. A groupon devolve-me o dinheiro mas em crédito groupon e não em dinheiro no cartão de crédito como deveria ser.

Comprei 2 vouchers diferentes a esta empresa, este e outro, e no mesmo dia descobri que fizeram publicidade enganosa, o outro eles devolvem-me em dinheiro, mas este eles alegam que a informação está correcta por isso devolvem em créditos. Para mim esta empresa não tem mais credibilidade nenhuma e portanto não pretendo comprar mais nada de modo que não tenho interesse na devolução em crédito, até porque não devolvi porque não gostei, mas sim, porque deram informação errada. Caso o problema seja da Cellulem Block, eles que tratem com eles, mas eu adquiri o serviço à Groupon.

Relativamente ao outro voucher, era com a empresa VianaLocals, e pelo que me informaram quando entrei em contacto com eles, a Groupon além de colocar a informação errada acerca do voucher, apesar desta os ter avisado enúmeras vezes, colocaram dias antes do previsto e tiveram bastantes problemas com eles. Por isso nada me garante que mais uma vez não tenham colocado publicidade enganosa para o voucher parecer mais atractivo. Tal como disse, para mim a Groupon deixou de ter qualquer tipo de credibilidade até prova em contrário.

Segue mais informação nos emails em anexo.

Documentos em anexo: http://www.portaldaqueixa.com/media/com_jforms/a2fe6/h860f/1310/684d.pdf

Descrição da Reclamação



Boa tarde,

Recebi por parte da Groupon um mail sobre "Faz o album que tanto tens adiado. Usufri de 25 euros em qualquer artigo do My Photo Book, por apenas 5" e como achei um preço bastante atractivo, efectuei a reserva e o pagamento por cartão de crédito. Posteriormente a ter recebido o código de promoção desta entidade, efectuei dentro do site da loja online do álbum o meu book. Pelo que ao adicionar o código que a Groupon me cedeu, alerta-me para um erro. O valor foi-me descontado da minha conta e eu fiquei sem o serviço acima mencionado. É impossível contactar a Groupon por telefone.

Já reencaminhei por mail, todos os mails enviados para estas duas entidades e até à data ainda não recebi qualquer informação.

Agradeço a vossa colaboração. Fico a aguardar a vossa resposta,

Cumprimentos,
Mónica Pereira

Figure 11 - Discription of Customer Complaints

Exhibit 10 – Facebook page - Groupon complaints

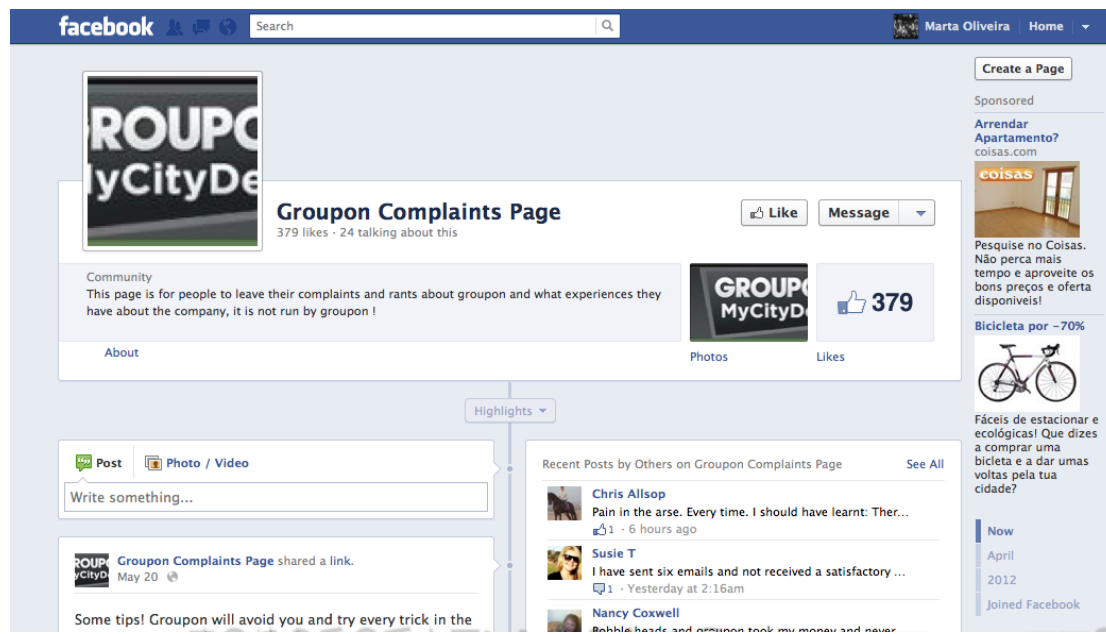


Figure 12 - Groupon Complaints Page

Exhibit 11 – “Groupon Stores”

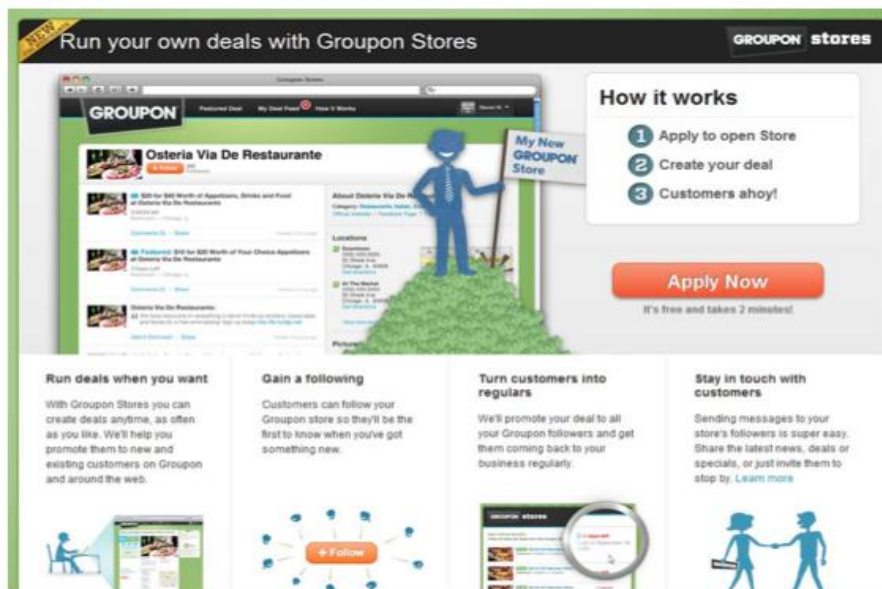


Figure 13 – Groupon Stores

Exhibit 12 - Interviews to Groupon Employees

Exhibit 12.1 - Interview Employee 1

- 1) Is there any market research done by the company?
 - a. **Yes**
- 2) If yes,
 - a. How many were done in the last year (2011)?
 - i. Cannot precise the number of market research that were done during the last year. **Groupon does several market studies in a regular process regarding its consumers' habits such as:** 1. Amount of € paid per consumer during a specific period of time (per day; per week; per month); 2. Consumers location; 3. Locations with biggest amount of sales per type of service provided; 4. Which services are selling more; 5. And many other studies depending of the goal of the study.
 - b. What type of techniques was used?
 - i. Groupon database. In Groupon we can gather many sorts of data regarding consumers and partners trough Groupon's database.
 - c. Is the amount of market research enough to understand the expectations of the consumers about the service?
 - i. Yes
- 3) Who are the employees who use the information available about customers?
 - a. Mainly administration people. In our case is the account manager, city planner, city manager, and CEOs.
- 4) From 1 to 10 how much the information collected about customers go through the top employees?
 - a. 8
- 5) On average, how long does it take for the company to answer a customer e-mail?
 - a. 1 or 2 days
- 6) From 1(low response effectiveness) to 10(high efficiency), how do you rate the reaction of the **company when dealing with unsatisfied customers** (e.g. bad experiences with products)?
 - a. **8 (however, I do not have a very clear perception of how efficient this department is because it is an outsourced department)**
- 7) From 1(very low) to 10(extremely high), how do you rate the amount of people in the company **working in customer relationship**?

- a. **1 because we have 1 person only (it is an outsourced service)**
- 8) From 1(almost absent) to 10(very present), is there any CRM system in the company?
- a. 7
- 9) From 1(considered not important) to 10(studied), how is that information treated?
- a. **5**
- 10) From 1(too long) to 10(fast), how long can it take to make a deal with a merchant?
- a. It depends on the kind of merchant we are considering. If we differentiate them on a fixed costs perspective, we could say that the process with a partner with high fixed costs takes long time to close (e.g. 8) and with low fixed costs takes less time (e.g. 2). Of course there are other variable affecting the time it takes to close a deal with a merchant.
- 11) From 1(not good) to 10(excellent), how is the relationship with the companies that provide the services to the final customer?
- a. 8. Depends on the commercial relationship with the merchant.
- 12) From 1(less than one time per month) to 10(every day) how many times the company has contact with the merchant (during the partnership)?
- a. 3. Depends on the merchant quality and urgency to be published. On average the merchants are reached 1 time per month.
- 13) From 1(extremely low) to 10(extremely high), how is the control done by the company on the offers that are available to consumers on their website (before and after selling)?**
- a. **10**
- 14) From 1(extremely low)) to 10(extremely high), how do you evaluate the quality of the service sold?
- a. 7. Again, depends on the quality of the merchant.
- 15) From 1(not relevant) to 10(extremely important), how do you classify the importance of the after sales service in the company?
- a. 10
- 16) From 1(company just focus on customers) to 10(company just focus on consumers), does the company focus more on relationships with customers or on giving all the possible variety of products to the consumers?
- a. 8
- 17) How is the company organized (in terms of departments and functions?)
- a.
- i. Sales Reps
 - ii. City Managers (Manage the team of sales reps)

- iii. Account Managers (Manage the merchants availability for the commercials)
- iv. City Planner (Plans the deals structures and positions on the webpage)
- v. Publishing (publish the deals)
- vi. Quality (check the contracts quality in legal terms)
- vii. Partner Management (Manage relations with merchants)
- viii. Customer Care (Manage relations with consumers)
- ix. CFO
- x. CHR
- xi. CEO
- xii. COO

18) Are there any training, coaching, and trainee programs? Yes, No?

- a. Yes

19) How many employees are there working on customer relationship in your region department?

- a. 1 employee, the others are outsourced

20) From 1(low) to 10(high) how cohesive do you feel your team is?

- a. 7

21) If one of the goals of the company is to provide an “unbelievable after sales service”, why are there so many complains in the Internet relating to the lack of it?

- a. **Because the volume of business is too big for the service the company can provide.**

22) What is the time of response towards the customer (after the customer made contact the company)?

- a. Depends on the planification of the deals. If it is a deal that Groupon needs, and which will bring more profit, it goes through a faster process.

23) On average what is the amount of complaints per day?

- a. **No idea.**

24) From 1(extremely bad) to 10(extremely good), how well do you think does the company communicate the different campaigns that are provided to the customers?

- a. 8

25) From 1(extremely bad) to 10(excellent), how is the interaction between managers and customers in order to the management teams know what are the customer's expectations?

- a. 8

26) From 1(very) to 10(nothing), do you think that Groupon is overpromising or overselling their products to their customers?

a. 8

Exhibit 12.2 - Interview Employee 2

1) Is there any market research done by the company?

Não.

2) If not, why has it not been done?

O research é feito com base nos resultados obtidos com as “**publicações teste**”. Temos, no mínimo, duas novas publicações diárias em cada cidade. Normalmente as categorias publicadas são aquelas que nos garantem bons resultados (**mais vendas / bom GP**). Todas as cidades têm abertura para fazerem “publicações testes” para além das duas publicações diárias. Se essas publicações teste obtêm bons resultados (numero de vendas / GP gerado), passam a ser prioridades de outras cidades de modo a que sejam testadas.

3) Who are the employees who use the information available about customers?

Scheduler, City Manager e Deputy/Account Manager. Os dois primeiros, pois são os responsáveis pelo GP gerado por cada cidade. O ultimo, numa lógica de adequar as contas/parceiros atribuídos aos comerciais de acordo com o que se quer publicar / testar.

4) From 1 to 10 how much the information collected about customers go through the top employees?

Depende do que é entendido como Top employees.

Os Top employees de cada cidade são o City Manager, Scheduler e Deputy/Account Manager. Nessa perspectiva, 10. Pois toda a informação depende e passa pelos mesmos. Se nos referirmos a CEO's, diria um 5. Pois a informação de cada cidade não depende nem passa por eles, no entanto, fazem um controlo sobre o que podemos ou não publicar como deals principais das páginas.

5) On average, how long does it take for the company to answer a customer e-mail?

De modo a que não haja confusão, farei distinção entre parceiros (as empresas que publicam connosco) e os usuários (aqueles que compram os deals online).

Existem três canais de comunicação. O de apoio a parceiros, dados e atenção ao cliente. Apoio a parceiros está em constante comunicação com qualquer problema que possa surgir com os nossos parceiros quer a nível de incapacidade para receber todos os cupões vendidos, quer para esclarecer qualquer duvida colocada pelos mesmos (numero de cupões por trocar, facturas por receber, etc.). **A satisfação dos parceiros e resposta a qualquer questão colocada é uma prioridade deste departamento**, por isso, a resposta é efectuada o quanto antes. O tempo de resposta, dependerá da complexidade do problema/pergunta colocada.

Para novos parceiros, que nos escrevam ou preencham o formulário à disposição no site “groupon works” a resposta é dada diariamente. Os dados do parceiro são recebidos pela equipa de dados, O CityManager, Scheduler e Deputy / Account Manager analisam se é um parceiro com quem a Groupon queira trabalhar e é dada uma resposta quer seja positiva ou negativa. **Em media 24h para que obtenham uma resposta.**

O departamento de atenção ao cliente é feito em regime de outsourcing através de telefone. Nesse sentido, a resposta é instantânea.

6) From 1(low response effectiveness) to 10(high efficiency), how do you rate the reaction of the company when dealing with unsatisfied customers (e.g. bad experiences with products)?

9. É dada uma atenção especial a todos os clientes que não tenham trocado o seu cupão por algum motivo. Caso se averigúe que o cliente tem razão, o valor do cupão é devolvido em credito groupon ou em dinheiro. **No entanto, qualquer caso de insatisfação do serviço é averiguado com o parceiro o motivo que gerou essa insatisfação e, no limite, não publicamos mais com esses parceiros. Poderá haver devoluções do valor do cupão ou não, dependendo do caso.**

7) From 1(very low) to 10(extremely high), how do you rate the amount of people in the company working in customer relationship?

10. O departamento de atenção ao parceiro é um dos maiores da empresa. **O de dados e atenção ao cliente (outsourcing) estão adequados ás necessidades.** Os problemas mais profundos (**cupões não trocados e reembolsos**) dos usuários são tratados pelo departamento de gestão do parceiro.

8) From 1(almost absent) to 10(very present), is there any CRM system in the company?

10. O sistema de CRM da empresa é óptimo e transversal a toda a empresa. Todos os contactos realizados, contratos assinados e contas criadas estão registadas na plataforma de CRM (SalesForce). Temos uma vasta equipa dedicada ao bom funcionamento da plataforma e á **criação de relatórios** que nos ajudem a exportar todas as capacidades da mesma.

9) From 1(considered not important) to 10(studied), how is that information treated?

10. Toda a nossa actividade (registos, controlo, etc.) tem por base a plataforma de SalesForce. Se não tivermos acesso á mesma, quase que paramos a nossa actividade.

10) From 1(too long) to 10(fast), how long can it take to make a deal with a merchant?

5. Os passos até que tenhamos um deal com um merchan, por norma, são os seguintes:

1º Temos uma equipa de **lead generation que se dedica, única e exclusivamente, á criação de novas contas de possíveis parceiros**

2º Essas contas são **passadas aos comerciais** conforme os deals que pretendemos

3º Existe um contacto por parte do comercial com o possível parceiro a ver se existe interesse

4º Contrato enviado para aprovação para o Scheduler e Dept. de Qualidade.

5º Após aprovação, é planificado e enviado para o departamento de publishing

6º Após redigida a publicação é enviada para o parceiro, Deputy / Account Manager, Scheduler e City Manager darem o OK para a publicação.

Nestes 6 passos principais, existem passos intermédios que puderam aumentar ou diminuir o tempo do processo.

De um modo geral, **num caso óptimo aqui descrito... o processo poderia levar 1 mês. No entanto, o dinamismo do negocio, nem sempre nos permite todo este planeamento. Todos estes passos existem, mas a um ritmo muito mais acelerado do que o que seria desejado.**

Todo o processo poderá levar somente uma semana.

Se se tratar de um parceiro que se ponha em contacto connosco através dogroupon works facilita e diminui o tempo de todo o processo.

11) From 1(not good) to 10(excellent), how is the relationship with the companies that provide the services to the final customer?

9

Óptima. Se assim não for, a parceria não funciona. Existem casos em que essa relação é deteriorada por algum motivo. Esses casos, geram vários problemas que a Groupon

comprometesse a resolver. Um dos mais vulgares é o parceiro não aceitar mais cupões. Nesse caso a Groupon assegurasse que tem outro parceiro que possa prestar o serviço, ou, caso o usuário, **não queira a prestação de serviço por parte de outro parceiro, devolve o valor do cupão ao usuário. São situações pontuais e desenvolvemos trabalhos no sentido de as diminuir de dia para dia.**

12) From 1 (less than one time per month) to 10 (every day) how many times the company has contact with the merchant (during the partnership)?

2

Tentamos que seja pelo menos uma vez por mês. Se o comercial que detém determinada conta não entrar em contacto com o parceiro e registar essa actividade em Salesforce, perde os direitos da conta passando para inactiva e ficando á disposição de ser passada a outro comercial.

13) From 1 (extremely low) to 10 (extremely high), how is the control done by the company on the offers that are available to consumers on their website (before and after selling)?

9. Existe um acompanhamento constante por parte da empresa como um todo. Nas diversas fases esse controlo será feito por departamentos distintos. Inclusive quando está publicado, **fazemos um controlo para saber se tudo está a correr bem com o merchant** e para nos certificarmos que a informação está a ser passada de forma adequada aos usuários.

14) From 1 (extremely low) to 10 (extremely high), how do you evaluate the quality of the service sold?

7. O serviço é óptimo, no entanto nem sempre conseguimos que todas as publicações sejam com parceiros Premium. Trabalhamos no sentido de conseguir os melhores, aqueles que nos dão melhores garantias.

15) From 1 (not relevant) to 10 (extremely important), how do you classify the importance of the after sales service in the company?

10. A boa relação com o merchant é fundamental para que continuem a prestar o serviço aos clientes Groupon e que não hajam refunds

16) From 1 (company just focus on customers) to 10 (company just focus on consumers), does the company focus more on relationships with customers or on giving all the possible variety of products to the consumers?

8. O nosso negócio baseia-se em oferecer variedade de produtos aos consumers e certificarmo-nos que tudo corre bem na relação entre os usuários e os merchants.

No entanto, numa lógica de relação com o merchan, adapta-se um 3 / 4. A empresa está centrada e construir uma relação sustentável com os merchans Premium.

17) How is the company organized (in terms of departments and functions?)

Já foi explicado um pouco nas outras respostas.

Só de acrescentar que temos 3 áreas de negocio distintas e por isso tem um departamento para cada uma.

1º Serviços – Cada cidade têm serviços locais publicados nas suas cidade (cidades groupon em Portugal: Lisboa, Porto e Setúbal)

2º Produto – Pagina de produto a nível nacional

3º Hotéis – Hotéis publicados a nível nacional e para cidades internacionais

Se visitarem a nossa pagina facilmente se percebe esta divisão.

18) Are there any training, coaching, and trainee programs? Yes, No?

Todos os comerciais têm uma semana de training na sede da empresa em Madrid. Para as posições back office / Managers existe um acompanhamento constante por parte das chefias de equipa.

19) How many employees are there working on customer relationship in your region department?

O departamento opera para Portugal e Espanha. +/- 10 pessoas.

20) From 1(low) to 10(high) how cohesive do you feel your team is?

8. Existe um espírito de entreajuda elevado, no entanto, a elevada carga de trabalho e exigência não nos permite

21) If one of the goals of the company is to provide an “unbelievable after sales service”, why are there so many complains in the Internet relating to the lack of it?

Por vezes a qualidade do parceiro não é a que desejamos. No entanto, tentamos que a comunicação seja o mais clara possível de modo a que não haja um desfasamento entre as expectativas e a realidade do serviço que o parceiro presta. Um dos pontos que tentamos ter em atenção é que o parceiro tenha pagina web e colocar fotos do parceiro nas publicações para que seja perceptível a qualidade do parceiro. Por vezes, existem falhas de comunicação. Tentamos que isso não aconteça e trabalhamos todos os dias para evitar eventuais futuros problemas.

22) On average what is the amount of complaints per day?

Não sei.

23) From 1 (extremely bad) to 10 (extremely good), how well do you think does the company communicate the different campaigns that are provided to the customers?

7. Existe um standard de comunicação que é transversal a todas as publicações. Para além dos emails diários enviados aos clientes groupon que escolhem receber as comunicações, a empresa usa os **sites sociais como forma de comunicar as suas campanhas**.

24) From 1 (extremely bad) to 10 (excellent), how is the interaction between managers and customers in order to the management teams know what are the customer's expectations?

5. Quase todo o contacto com os clientes é feito pela equipa de comerciais. Por vezes, as expectativas dos parceiros está desajustada das expectativas das equipas de gestão da groupon.

Exhibit 13 - Interview Script to Merchants

(The merchants contacted are chosen directly from the website)

1. For how long do you advertise for Groupon?
2. Why did you decide to do it? (for what reasons?)
 - a. Awareness
 - b. Inventory
 - c. Customer increase
 - d. Include how did the merchant knew about Groupon
3. How do you do it? How does it work?
4. Do advertise only in Groupon?
 - a. If yes, where else?
 - b. If not, do you know any more websites?
5. How much (%) is taken?
6. From 1 to 7 how satisfied are you with the results?
7. From 1 to 7 how satisfied are you with Groupon?
8. In your opinion what do you think it can be improved?
9. In terms of impacts in your company, what were the main differences?
 - a. Are you reaching the objectives?(what were they) Does it match the expectations?
 - b. How do you measure it?
 - c. Do you know how many new customers you have? (if besides the coupons, there are more)
 - i. How? (is there any data?)
 - d. Do you have any or use any special mechanisms to incentivate customers from Groupon, to come back? Or is it just the normal treatment?
10. Are you going to keep doing it?
 - a. If no, why?

11. Observations?

Exhibit 13.1 - Interview Merchant 1

Hotel I

1. For how long do you advertise for Groupon?
 - "Since the end of January"
2. Why did you decide to do it? (for what reasons?)
 - a. Awareness
 - b. Inventory
 - c. Customer increase
 - d. Include how did the merchant knew about Groupon

The interviewed seemed a bit confused. She said, "it was an experiment and they were going to see how it will affect their business. It is a novelty and we wanted to try it". So there was no main goal or strategy.

3. How do you do it? How does it work?
 - Groupon contacted me.
4. Do advertise only in Groupon?
 - No. Also in the booking.com
5. How much (%) is taken?
 - 50% (it depends)
6. From 1 to 7 how satisfied are you with the results?
 - 4
7. From 1 to 7 how satisfied are you with Groupon?
 - 4 They talk to us over the phone and e-mail
8. In terms of impacts in your company, what were the main differences?
 - "It was mainly awareness so yes, until now"
 - "It is still very soon, we do not have it. It is just an experiment", "It is still very soon to tell, we will see". "No we do not have a special treatment or special offers"
9. Are you going to keep doing it?
 - "Yes" after a certain period we will keep analysing and if it is good we do it again

Exhibit 13.2 - Interview Merchant 2

Dental Clinic

1. For how long do you advertise for Groupon?

- "Since December 2011"
2. Why did you decide to do it? (for what reasons?)
 - "I knew Groupon because the other Clinic I worked for did it also. It is mainly for the awareness. People who live nearby know the clinic exists but there are many who do not live here that come from other locations that only know it because of Groupon. There are people who come from Almada and other parts of Lisbon".
 3. How do you do it? How does it work?
 - She first contacted but then they return the contact a month later
"The campaigns are decided by Groupon. They decide when to launch. They are the ones who call and say they have an opening and they are interested in us. In most cases I decide apriori how many do I need".
 4. Do advertise only in Groupon?
 - "No, I also do it through LetsBonus and Good life"
 5. How much (%) is taken?

"It depends. Normally is 50% and then they offer a % of the vouchers or it is 45% above all promotions".
 6. From 1 to 7 how satisfied are you with the results?

"5, because there is not much loyalty after it. Only some of the people come back"
 7. From 1 to 7 how satisfied are you with Groupon?

"5. It is a good partner. The e-mails and phone calls are always answered and they always pay on time, unlike some of the other websites. Groupon brings more customers than the other websites."
 8. In terms of impacts in your company, what were the main differences?
 - There is no database or specific records on the new customers or customer retention. She just said in the days of the coupon launching the phone does not stop ringing. "I don't have a database but I have a list where I usually put the names of the ones that come back and pay the original prices. Most of them (who buy the coupons) come just because they need that special treatment but there are some that come back for other treatments(..) but we give our card if needed"
 9. Are you going to keep doing it?
 - Yes, especially through Groupon

Exhibit 13.3 - Interview Merchant 3

Hairdresser

1. For how long do you advertise for Groupon?
 - April 2012 (two weeks ago)
2. Why did you decide to do it? (for what reasons?)

- “We saw others doing it and we decided to experiment. Mainly to gathered more clients”
3. How do you do it? How does it work?
 - We contacted Groupon
 4. Do advertise only in Groupon?
 - “Yes because during a year we can not make deals with other websites but Groupon”
 5. How much (%) is taken?
 - “For this specific campaign 50%”
 6. From 1 to 7 how satisfied are you with the results?
 - “It is still very soon to tell, we only started 1,2 weeks ago”
 7. From 1 to 7 how satisfied are you with Groupon?
 - 7 “The phone does not stop ringing”
 8. In your opinion what do you think it can be improved?
 - No comments
 9. In terms of impacts in your company, what were the main differences?
 - “We did not have specific goals, we just wanted to see what Groupon could do for us and now we are waiting to see the results. It is too soon to measure it but I already have all the names and contacts of people who are coming, maybe I will use it to see who is coming back to pay full price. I hope many!”
 10. Are you going to keep doing it?
 - “At this stage I would say Yes”

Exhibit 13.4 - Interview Merchant 4

Aesthetic Clinic I

1. For how long do you advertise for Groupon?
 - “Since last week.” 9 of April
2. Why did you decide to do it? (for what reasons?)
 - To promote the space and the service
3. How do you do it? How does it work?
 - “Groupon contact us”
4. Do advertise only in Groupon?
 - Yes
5. How much (%) is taken?
 - For now, 45 %
6. From 1 to 7 how satisfied are you with the results?
 - For now, 5

7. From 1 to 7 how satisfied are you with Groupon?
 - 5
8. In your opinion what do you think it can be improved?
 - No comments
9. In terms of impacts in your company, what were the main differences?
 - We do not have that much customers and it is tuff to do it because the expiration dates are to small and due to the service seasonality we do not know if it is going to be worth it"
 - The interviewed said there was no data or lists of contact of consumers who come with coupons. So if I was a Groupon consumer and went back to the establishment and bought another service or product, full price, they wouldn't know. Unless they remembered me.
10. Are you going to keep doing it?
 - "We still do not know.. lets wait and see"

Exhibit 13.5 - Interview Merchant 5

Hotel II

1. For how long do you advertise for Groupon?
 - For a month now
2. Why did you decide to do it? (for what reasons?)
 - a. Inventory
3. How do you do it? How does it work?
 - Groupon contacted us
 - We control the reservations by orienting the coupons more for the week days. On the high season the contract would have to be review because prices are different. The rooms are not special but they are oriented for low frequency days of the week.
4. Do advertise only in Groupon?
 - No in other tourism operators
5. How much (%) is taken?
 - Less then 50 %
6. From 1 to 7 how satisfied are you with the results?
 - 4
7. From 1 to 7 how satisfied are you with Groupon?
 - 4
 - 4 , 4 because Groupon is just one more operator and compared to other turism operator, there are others more efficient and competent in this area and also because the % taken is too high

8. In your opinion what do you think it can be improved?
 - There should be more flexibility in the way we can sell our services in the Groupon website
9. In terms of impacts in your company, what were the main differences?
 - “The impacts are being positive, we had more reservations. We measure it through a reservation system and we know how many people made reservations through Groupon and at what time. And we can analyze it by month, trimester, annually.”
11. Are you going to keep doing it?
 - “Maybe yes, but not so frequently, probably only in the low season”

Exhibit 13.6 - Interview Merchant 6

Restaurant

1. For how long do you advertise for Groupon?
 - 2 Months
2. Why did you decide to do it? (for what reasons?)
 - Awareness
3. How do you do it? How does it work?
 - We contacted Groupon and they contacted us after “on” the website
4. Do advertise only in Groupon?
 - No, also in GoodLife
5. How much (%) is taken?
 - More a less 50%
6. From 1 to 7 how satisfied are you with Groupon?
 - 5
7. In your opinion what do you think it can be improved?
8. In terms of impacts in your company, what were the main differences?
 - We have received a lot of reservations. No one can come without a reservation. It is good because we oriente customers for days with no full house. But it is a lot of work and no profits because I don’t remember no one coming back. Maybe friends. They all take our cards.
9. Are you going to keep doing it?
 - a. No. This was just a one-time experience. At least for now.. We only want to do it for 5 months. After that it is over. Because it is not for profit, it is just for awareness.

Exhibit 13.7 - Interview Merchant 7

Aesthetic Clinic II

1. For how long do you advertise for Groupon?
 - 3 months
2. Why did you decide to do it? (for what reasons?)
 - To promote the space and the service
3. How do you do it? How does it work?
 - "Groupon contact us"
 - Groupon decides the number of weeks we will be in the website and when they have more room for it, they will call us again
4. Do advertise only in Groupon?
 - Yes
5. How much (%) is taken?
 - For now, 45 %
6. From 1 to 7 how satisfied are you with the results?
 - 6. Because we receive a lot of reservations and new clients but most of them just come for the service and they do not come back because or it is not in their location or it is just because of the price.
7. From 1 to 7 how satisfied are you with Groupon?
 - 5
8. In terms of impacts in your company, what were the main differences?
 - There is no data on those clients. We just remembered them.
 - In the weeks we are in the website we receive a lot of calls, but in the end don't really know how much are we winning with all this.
9. Are you going to keep doing it?
 - "I don't know, lets see"

Exhibit 13.8 - Interview Merchant 8

Car Wash

1. For how long do you advertise for Groupon?
 - For 4 months now
2. Why did you decide to do it? (for what reasons?)
 - To increase our sales. With the crisis people tend so save money on these things
3. How do you do it? How does it work?
 - We called Groupon and when they found a space they called us

4. Do advertise only in Groupon?
 - Yes
5. How much (%) is taken?
 - 50% more or less
6. From 1 to 7 how satisfied are you with the results?
 - 4. We had more clients but not that many. And because we already make a big discount in the service and groupon takes a lot in commissions
7. From 1 to 7 how satisfied are you with Groupon?
 - 4. For the same reasons
8. In your opinion what do you think it can be improved?
9. In terms of impacts in your company, what were the main differences?
 - We have more clients yes but besides the quantity of vouchers sold we do not have more data. But it is enough to see we are not making enough money to overcome the money taken by Groupon
10. Are you going to keep doing it?
 - a. I don't think so. We are thinking in doing our one promotions from time to time and then we gain the money from the full promotion instead of the 50%

Exhibit 13.9 - Interview Merchant 9

Scuba Diving School

1. For how long do you advertise for Groupon?
 - For 4 months now
2. Why did you decide to do it? (For what reasons?)
 - Stimulus to trial and Customer increase
 - We contacted Groupon and then when they had a spot for the campaign, they called us.
3. How do you do it? How does it work?
 - We agreed on the campaign, for how long it would be on, etc..
4. Do advertise only in Groupon?
 - a. No, in Odisseias too
5. How much (%) is taken?
 - It depends on the campaign but on average 45%
6. From 1 to 7 how satisfied are you with the results?
 - 4

7. From 1 to 7 how satisfied are you with Groupon?
 - 5

8. In terms of impacts in your company, what were the main differences?
 - We received some calls, but not as much as we expected. Probably because the campaign was launched in the winter and people only intend to use it during the spring or summer.
 - It is difficult to predict the results then.
 - The good thing is that the coupons are only for the first lessons so, if people really like it, they will have to keep doing the course but they will be paying full price.
 - We do not have a special tool to measure it, we see it through the subscribers for the course, and if they increase, it is already a good result.

9. Are you going to keep doing it?
 - I think so, it depends on the number of people who actually continue the course. The bad thing is the percentage taken. Because these activities are expensive and it is already a huge discount.

Exhibit 13.10 - Interview Merchant 10

Butcher

1. For how long do you advertise for Groupon?
 - For almost 5 months

2. Why did you decide to do it? (for what reasons?)
 - Due to the crisis we had a huge decrease on sales. People started to go to the supermarket and at the end of the day or the week, we had a lot of meet left out.
 - We contated Groupon and then they contacted us.

3. How do you do it? How does it work?
 - We decided the specifications of the campaign: the type of products and the prices etcs, essentially they were packs of meet. So we were giving discounts but only to a certain quantity.

4. Do advertise only in Groupon?
 - Yes

5. How much (%) is taken?
 - 45%

6. From 1 to 7 how satisfied are you with the results?
 - 5. The thing is, it was very good because we sold a lot. But the bad thing is that after the campaign is over we go back to the same situation and we sell less. That is why we need other websites.

7. From 1 to 7 how satisfied are you with Groupon?
 - 5

8. In your opinion what do you think it can be improved?
 - We should be able to do it during more time
9. In terms of impacts in your company, what were the main differences?
 - We sold a lot more, and the products we wanted to. The problem is after. So in the short term the results were good but in the long run they are no excellent.
10. Are you going to keep doing it?
 - a. I think so yes. It is good when we have problems with the inventory

Exhibit 13.11 - Interview Merchant 11

Hotel III

1. For how long do you advertise for Groupon?
2. Why did you decide to do it? (for what reasons?)
 - a. Awareness
 - b. Inventory
 - c. Customer increase
 - d. Include how did the merchant knew about Groupon
3. How do you do it? How does it work?
4. Do advertise only in Groupon?
 - a. If yes, where else?
 - b. If not, do you know any more websites?
5. How much (%) is taken?
6. From 1 to 7 how satisfied are you with the results?
 - 4, because we have other websites that give us better results and more international projections and it is also possible to make reviews, which has a major impact on potential clients
7. From 1 to 7 how satisfied are you with Groupon?
 - 4
8. In your opinion what do you think it can be improved?
 - All mentioned above.
9. In terms of impacts in your company, what were the main differences?
 - We have more openness for “tourism inside Portugal” and that is a good thing also
 - We had a lot of bookings, and for a low season and with the crisis it is a good thing, but as I said before we have other tourism websites there are more efficient and give us a better return and the % taken is not so high.
 - We measure it through the bookings and then we analyse it by seasons.
10. Are you going to keep doing it?
 - a. Yes, from time to time, mostly in low seasons

Exhibit 13.12 - Interview Merchant 12

Local Café

1. For how long do you advertise for Groupon?
 - For 2 months
2. Why did you decide to do it? (for what reasons?)
 - Because Groupon made a proposal, and we took it
3. How do you do it? How does it work?
 - They saw our menu and decided to create other products and with higher prices. And the campaigns are only on those products. We have exclusivity with Groupon for a year
4. Do advertise only in Groupon?
 - Yes
 - Sometimes we make offers to Time Out, but they are different types of discount so I think it does not count.
5. How much (%) is taken?
 - 45%
6. From 1 to 7 how satisfied are you with the results?
 - 5
7. From 1 to 7 how satisfied are you with Groupon?
 - 7
8. In terms of impacts in your company, what were the main differences?
 - We had 20 people coming from Groupon, which is good. The good thing is also that those products have higher margins so we win with the sale of the coupons. And until now people did not returned. But it is still early to see. We will have to wait more months.
9. Are you going to keep doing it?
 - Until the campaign is over, then we will see

Exhibit 13.13 - Interview Merchant 13

Adventure Company

1. For how long do you advertise for Groupon?
 - For 7 months
2. Why did you decide to do it? (for what reasons?)
 - Because a friend of mine talked to me about it

3. How do you do it? How does it work?
 - Groupon made us an offer based on what we wanted and we receive half of the %. Although the prices are overestimated, because due to the high volume of sales we have with Groupon, we have higher margins.
4. Do advertise only in Groupon?
 - No, we do it in other 2 Websites in different times: Lets Bonus and Odisseias
5. How much (%) is taken?
 - 50%
6. From 1 to 7 how satisfied are you with the results?
 - 6
7. From 1 to 7 how satisfied are you with Groupon?
 - 5 Because they charge us more then other websites
8. In terms of impacts in your company, what were the main differences?
 - As I said before, the impacts were very positive as, compared with two years ago, we have much more people buying from us and doing our activities. Before it was considered too expensive. At the same time, we can now have higher margins.
 - We think that there aren't customers that come back but we know people talk about their experiences and then other buy the coupons, which is positive
9. Are you going to keep doing it?
 - Yes

Exhibit 13.14 - Interview Merchant 14

Golf Courses

1. For how long do you advertise for Groupon?
 - For 7 months
2. Why did you decide to do it? (for what reasons?)
 - Because a friend of mine talked to me about it
3. How do you do it? How does it work?
 - Groupon made us an offer based on what we wanted and we receive half of the %. Although the prices are overestimated, because due to the high volume of sales we have with Groupon, we have higher margins.
4. Do advertise only in Groupon?
 - No, we do it in other 2 Websites in different times: Lets Bonus and Odisseias
5. How much (%) is taken?
 - 50%
6. From 1 to 7 how satisfied are you with the results?
 - 6

7. From 1 to 7 how satisfied are you with Groupon?
 - 5 Because they charge us more than other websites
8. In terms of impacts in your company, what were the main differences?
 - As I said before, the impacts were very positive as, compared with two years ago, we have much more people buying from us and doing our activities. Before it was considered too expensive. At the same time, we can now have higher margins.
 - We think that there aren't customers that come back but we know people talk about their experiences and then other buy the coupons, which is positive
9. Are you going to keep doing it?
 - Maybe, we still need more time to evaluate the numbers of subscribers in the end

Exhibit 13.15 - Interview Merchant 15

Gym

1. For how long do you advertise for Groupon?
 - For 2 months
2. Why did you decide to do it? (for what reasons?)
 - Groupon contact us
3. How do you do it? How does it work?
 - Groupon made us an offer based on our prices and then we reached an agreement for the campaign
4. Do advertise only in Groupon?
 - Yes, we have an exclusivity deal for 2 years
5. How much (%) is taken?
 - 50%
6. From 1 to 7 how satisfied are you with the results?
 - 5, too soon to tell, we are only going to be sure in a few months, too see who is going to subscribe after
7. From 1 to 7 how satisfied are you with Groupon?
 - 6 They gave us some support and there were many new customers
8. In terms of impacts in your company, what were the main differences?
 - The impacts are being positive but it is too soon too tell. We are going to measure who will subscribe after, through the personal information on the customer. This way it is easy to control if he comes back or not. But we are afraid many of these people are just tracking opportunities and do not subscribe in the end, because they do not have the money.

- We are treating them as other normal customers. The good thing is that we can do price discrimination as it is only for new customers (who are not subscribed at the gym yet)
9. Are you going to keep doing it?
- Maybe, according to the results

Exhibit 13.16 - Interview Merchant 16

Sailing Experience

1. For how long do you advertise for Groupon?
 - For 3 months
2. Why did you decide to do it? (for what reasons?)
 - Groupon contact us
3. How do you do it? How does it work?
 - Groupon made us an offer based on our prices and then we reached an agreement for the campaign
4. Do you advertise only in Groupon?
 - No,
 - We advertise in other 3 websites
5. How much (%) is taken?
 - 50%
6. From 1 to 7 how satisfied are you with the results?
 - 5, sailing is better in the summer, we hope at that time we will have higher margins and a higher volume of sales
7. From 1 to 7 how satisfied are you with Groupon?
 - 5
8. In terms of impacts in your company, what were the main differences?
 - It is good to advertise, as most of the people who came to us said if it was not for Groupon they would not have found how to do it.
 - There are not a lot of people who do it without the coupon because it is too expensive.
9. Are you going to keep doing it?
 - Yes, it is always worth it

Exhibit 14 - Online Survey Script

1. Do you shop online?
 1. Yes
 2. No
 - If NO, is selected then skip to "Gender"

2. Which of the following Websites have you heard of?
 - a. Clubefashion
 - b. Desconto ocasião
 - c. Forretas
 - d. Groupon
 - e. Lets bonus
 - f. Compra Comigo
 - g. Good Life
 - If Groupon was not selected then skip to "Gender"

3. Did you ever bought with Groupon?
 1. If Not,
 - i. What are the main reasons? (Please select one or more)
 1. Lack of confidence shopping online
 2. No interest in the products
 3. Bad feedback about Groupon
 4. Unattractive
 5. Others - _____

- Skip to gender and age
 2. If Yes
 - i. From 1 (very unsatisfied) to 7 (very satisfied) how would you evaluate your level of satisfaction with Groupon?

4. Do you use other discount websites?
 1. Yes
 2. No

5. When you bought a service (or product) from Groupon, have you ever went back to the merchant for other services/ products, (paying full price)?
 1. Yes,
 2. No,
 - a. Why?
 - a. The service was not good
 - b. Was not worth the price
 - c. It was a one time usage service (like adventures: Bungee Jumping)
 - d. Others (open answer)

6. Did you ever talked to your friends/family on Groupon products or services you have experienced?
 1. No
 2. Yes
 - If NO is selected, then Skip to "Gender"

7. If Yes, From 1(Extremely negative) -7 (Extremely positive) how would you evaluate those feedbacks?

Negative -----Positive

8. That you know, of those you have talked to, did they go back to the merchant (without discounts)?

1. Yes
2. No

9. Gender

1. Female
2. Male

10. Age

1. < 18
2. 18 – 25
3. 26 – 35
4. 36 – 45
5. > 45

Exhibit 15 - Sample Analysis

Exhibit 15. 1 – Gender Statistics

Statistics

Gender

N	Valid	280
	Missing	2
Mean		1.43
Median		1.00
Std. Deviation		.495
Variance		.245

Gender

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Female	161	57.1	57.5	57.5
	Male	119	42.2	42.5	100.0
	Total	280	99.3	100.0	
Missing	System	2	.7		
Total		282	100.0		

Table 1 - Gender Frequencies

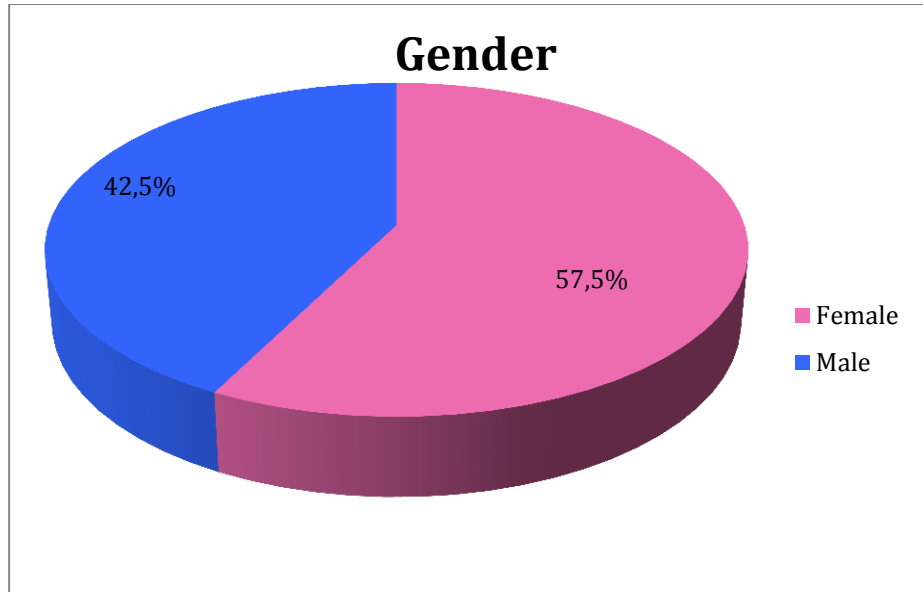


Figure 14 - Gender Statistics

Exhibit 15.2 – Age Statistics

Statistics

Age

N	Valid	280
	Missing	2
Mean		2.75
Median		2.00
Std. Deviation		1.055
Variance		1.113

Age

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid <=18	4	1.4	1.4	1.4
19-25	156	55.3	55.7	57.1
26 -35	57	20.2	20.4	77.5
36-45	32	11.3	11.4	88.9
>45	31	11.0	11.1	100.0
Total	280	99.3	100.0	
Missing System	2	.7		
Total	282	100.0		

Table 2 - Age Frequencies

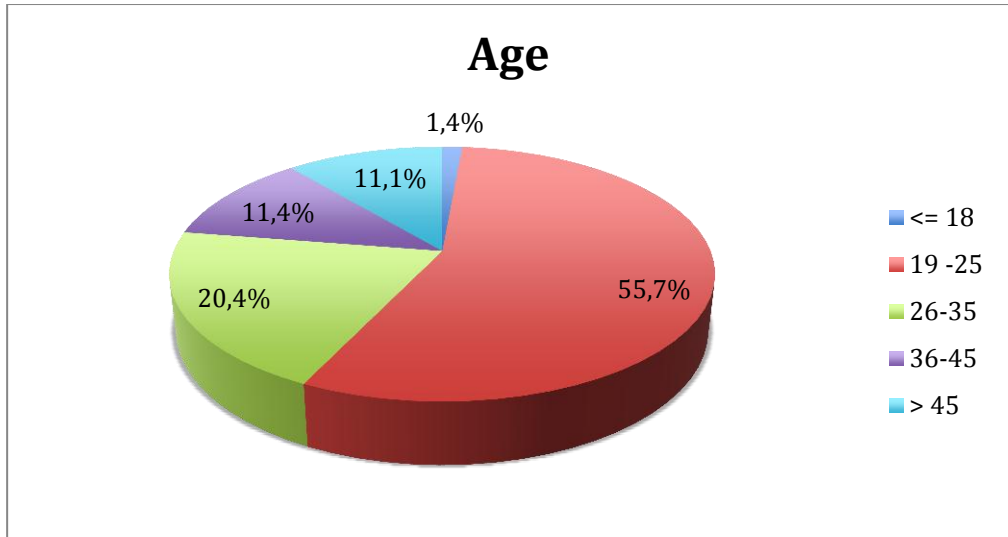


Figure 15 - Age Statistics

Exhibit 15.3 – Sample Online Shopping

Costuma fazer compras pela internet?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	175	62.1	62.5	62.5
	No	105	37.2	37.5	100.0
	Total	280	99.3	100.0	
Missing	System	2	.7		
Total		282	100.0		

Table 3 - "Do you usually shop online" Frequencies



Figure 16 – Online Shopping Habits Statistics

Exhibit 15.4 – Crosstab Age* Do you usually shop online

Age * Costuma fazer compras pela internet? Crosstabulation

		Costuma fazer compras pela internet?		Total	
		Yes	No		
Age	<=18	Count	0	4	4
		% within Age	.0%	100.0%	100.0%
		% within Costuma fazer compras pela internet?	.0%	3.8%	1.4%
		% of Total	.0%	1.4%	1.4%
19-25		Count	92	64	156
		% within Age	59.0%	41.0%	100.0%
		% within Costuma fazer compras pela internet?	52.6%	61.0%	55.7%
		% of Total	32.9%	22.9%	55.7%
26 -35		Count	46	11	57
		% within Age	80.7%	19.3%	100.0%
		% within Costuma fazer compras pela internet?	26.3%	10.5%	20.4%
		% of Total	16.4%	3.9%	20.4%
36-45		Count	22	10	32
		% within Age	68.8%	31.3%	100.0%
		% within Costuma fazer compras pela internet?	12.6%	9.5%	11.4%
		% of Total	7.9%	3.6%	11.4%
>45		Count	15	16	31
		% within Age	48.4%	51.6%	100.0%
		% within Costuma fazer compras pela internet?	8.6%	15.2%	11.1%
		% of Total	5.4%	5.7%	11.1%
Total		Count	175	105	280
		% within Age	62.5%	37.5%	100.0%
		% within Costuma fazer compras pela internet?	100.0%	100.0%	100.0%
		% of Total	62.5%	37.5%	100.0%

Figure 17 - Age/ Do you usually do shopping online CrossTabulation

Exhibit 15.5 - “How many people know Groupon” Frequencies

Statistics

		Quais dos seguintes Websites já ouviu falar? - ClubeFashion	Quais dos seguintes Websites já ouviu falar? - Desconto Ocasiao	Quais dos seguintes Websites já ouviu falar? - Forretas	Quais dos seguintes Websites já ouviu falar? - Groupon	Quais dos seguintes Websites já ouviu falar? - Lets Bonus	Quais dos seguintes Websites já ouviu falar? - Compra Comigo	Quais dos seguintes Websites já ouviu falar? - Good Life
N	Valid	74	25	51	159	81	26	55
	Missing	208	257	231	123	201	256	227

Quais dos seguintes Websites já ouviu falar? -ClubeFashion

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	74	26.2	100.0	100.0
Missing	No	206	73.0		
	System	2	.7		
	Total	208	73.8		
Total		282	100.0		

Table 4 - ClubeFashion Awareness

Quais dos seguintes Websites já ouviu falar? -Desconto Ocasiao

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	25	8.9	100.0	100.0
Missing	No	255	90.4		
	System	2	.7		
	Total	257	91.1		
Total		282	100.0		

Table 5 - Desconto Ocasiao Awareness

Quais dos seguintes Websites já ouviu falar? -Forretas

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	51	18.1	100.0	100.0
Missing	No	229	81.2		
	System	2	.7		
	Total	231	81.9		
Total		282	100.0		

Table 6 - Forretas Awareness

Quais dos seguintes Websites já ouviu falar? -Groupon

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	159	56.4	100.0	100.0
Missing	No	121	42.9		
	System	2	.7		
	Total	123	43.6		
Total		282	100.0		

Table 7 - Groupon Awareness

Quais dos seguintes Websites já ouviu falar? –Lets Bonus

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	81	28.7	100.0	100.0
Missing	No	199	70.6		
	System	2	.7		
	Total	201	71.3		
Total		282	100.0		

Table 8 - LetsBonus Awareness

Quais dos seguintes Websites já ouviu falar? –Compra Comigo

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	26	9.2	100.0	100.0
Missing	No	254	90.1		
	System	2	.7		
	Total	256	90.8		
Total		282	100.0		

Table 9 - Compra Comigo Awareness

Quais dos seguintes Websites já ouviu falar? –Good Life

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	55	19.5	100.0	100.0
Missing	No	225	79.8		
	System	2	.7		
	Total	227	80.5		
Total		282	100.0		

Table 10 - Good Life Awareness

Exhibit 15.6 - Groupon's Customers

Já alguma vez comprou pela Groupon?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	64	22.7	40.3	40.3
	No	95	33.7	59.7	100.0
	Total	159	56.4	100.0	
Missing	0	121	42.9		
	System	2	.7		
	Total	123	43.6		
Total		282	100.0		

Table 11 - "Have you ever bought from Groupon?" Frequencies %

Exhibit 15.7 – “Reasons for never buying in Groupon” Frequencies

	N	%
Do not have interest in the products offered	45	47,7%
Other reasons	23	24,21%
Prefer the websites of the competition	20	21,05%
Do not trust the website/ lack of security in the website	12	12,63%
Had bad references on Groupon	7	7,37%
Total	95	100%

Table 2 – Resume of “Reasons for never buying in Groupon” Frequencies %

Statistics

		Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Falta de segurança/ confiança no website ou nos produtos oferecidos	Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Não tenho interesse nos produtos/serviços oferecidos	Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Más referências da Groupon	Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Preferência por outros Websites concorrentes	Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Outros
N	Valid	12	45	7	20	23
	Missing	270	237	275	262	259
Mean		1.00	1.00	1.00	1.00	1.00
Median		1.00	1.00	1.00	1.00	1.00
Std. Deviation		.000	.000	.000	.000	.000
Variance		.000	.000	.000	.000	.000

Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Falta de segurança/ confiança no website ou nos produtos oferecidos

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	12	4.3	100.0	100.0
Missing 0	268	95.0		
System	2	.7		
Total	270	95.7		
Total	282	100.0		

Table 12 - What are the main reasons for not buying in Groupon*Lack of security

Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? - Não tenho interesse nos produtos/serviços oferecidos

	Frequency	Percent	Valid Percent	Cumulative Percent
Valid Yes	45	16.0	100.0	100.0
Missing 0	235	83.3		
System	2	.7		
Total	282	100.0		

Table 13 - What are the main reasons for not buying in Groupon*I don't have interest in any of the products offered

**Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? -
Más referências da Groupon**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	7	2.5	100.0	100.0
Missing	0	273	96.8		
	System	2	.7		
	Total	275	97.5		
Total		282	100.0		

Table 14 - What are the main reasons for not buying in Groupon*Bad References on

**Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? -
Preferência por outros Websites concorrentes**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	20	7.1	100.0	100.0
Missing	0	260	92.2		
	System	2	.7		
	Total	262	92.9		
Total		282	100.0		

Table 15 - What are the main reasons for not buying in Groupon*Preference for competitor's websites

**Qual/ais o(s) principal/ais motivo(s) de não comprar pela Groupon? -
Outros**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	23	8.2	100.0	100.0
Missing	0	257	91.1		
	System	2	.7		
	Total	259	91.8		
Total		282	100.0		

Table 16 - What are the main reasons for not buying in Groupon*Others

Exhibit 15.8 – “Overall satisfaction with Groupon” Frequencies

Statistics

De 1 (muito insatisfeito(a)) a 7 (muito satisfeito(a)), como avalia o seu nível de satisfação com a...

N	Valid	64
	Missing	218
Mean		5.09
Median		5.00
Std. Deviation		1.294
Variance		1.674

De 1 (muito insatisfeito(a)) a 7 (muito satisfeito(a)), como avalia o seu nível de satisfação com a...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Completely Dissatisfied	1	.4	1.6	1.6
	Mostly Dissatisfied	2	.7	3.1	4.7
	Somewhat Dissatisfied	3	1.1	4.7	9.4
	Dissatisfied	11	3.9	17.2	26.6
	Somewhat Satisfied	22	7.8	34.4	60.9
	Mostly Satisfied	17	6.0	26.6	87.5
	Completely Satisfied	8	2.8	12.5	100.0
	Total	64	22.7	100.0	
Missing	0	216	76.6		
	System	2	.7		
	Total	218	77.3		
Total		282	100.0		

Table 17 - Level of satisfaction with Groupon on a scale of 1 to 7 Frequencies

Exhibit 15.9– Customer Loyalty

Costuma comprar vales de descontos noutros Websites?

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	39	13.8	60.9	60.9
	No	25	8.9	39.1	100.0
	Total	64	22.7	100.0	
Missing	0	216	76.6		
	System	2	.7		
	Total	218	77.3		
Total		282	100.0		

Table 18 - "Do you usually buy coupons through other Websites" Frequencies %

**Exhibit 15.10 – “Do customers come back to the merchants and pay full price”
Frequencies**

**Da(s) vez(es) que comprou um serviço pela Groupon, alguma vez
voltou a comprar nesse estabelecimento...**

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	15	5.3	23.4	23.4
	No	49	17.4	76.6	100.0
	Total	64	22.7	100.0	
Missing	0	216	76.6		
	System	2	.7		
	Total	218	77.3		
Total		282	100.0		

Table 19 – “Have you ever come back to the merchant and paid full price?” Frequencies

**Exhibit 15.10.1– “Reasons why customers did not come back to the merchant after the
service/product the coupon is redeemed (without discount)” Frequencies**

Reasons	N	%
Because the service or product is not worth the full price	30	61,22%
Because they were One-Time-Use services, such as bungee jumping, a night at a hotel, adventures etc	24	48,97%
Gave other reasons	6	12,24%
Because the service was not good	3	6,12%
TOTAL	49	100%

Table 20 - "Reasons why customers did not come back to merchants, without a discount" Frequencies

Statistics

		Indique as principais razões que o (a) levaram a NÃO voltar ao estabelecimento: -Não vale a pena pagar o preço total (sem desconto) pelo mesmo serviço	Indique as principais razões que o (a) levaram a NÃO voltar ao estabelecimento: -Foi/ foram vales de desconto de uso não frequente (ex: Aventura, Bungee Jumping, Estadia num Hotel)	Indique as principais razões que o (a) levaram a NÃO voltar ao estabelecimento: -Outras	
N	Valid	3	30	24	6
	Missing	279	252	258	276
Mean		1.00	1.00	1.00	1.00
Median		1.00	1.00	1.00	1.00
Std. Deviation		.000	.000	.000	.000
Variance		.000	.000	.000	.000

Table 21 - "Reasons why customers did not come back to merchants, without a discount"
Frequencies %

Exhibit 15.11 – Word-of-Mouth

Exhibit 15.11.1 – “How many customers share their experiences on Groupon services/products?” Frequencies

Alguma vez comentou com alguém (familiar, amigo, colega, entre outros) a experiência que teve na utilização...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	61	21.6	95.3	95.3
	No	3	1.1	4.7	100.0
	Total	64	22.7	100.0	
Missing	0	216	76.6		
	System	2	.7		
	Total	218	77.3		
Total		282	100.0		

Table 22 - "Have you ever share/comment an experience of the usage of a coupon?"
Frequencies

Statistics

Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativos...-Negativos:Positivos

N	Valid	61
	Missing	221
Mean		5.26
Median		5.00
Std. Deviation		1.264
Variance		1.597

Exhibit 15.11.2 – Evaluation of the comments of those customers who share their experiences

Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Extremely Negative	1	.4	1.6	1.6
	Negative	3	1.1	4.9	6.6
	Nether Negative or Positive	7	2.5	11.5	18.0
	Somewhat Positive	21	7.4	34.4	52.5
	Positive	22	7.8	36.1	88.5
	Extremely Positive	7	2.5	11.5	100.0
	Total	61	21.6	100.0	
Missing	0	219	77.7		
	System	2	.7		
	Total	221	78.4		
Total		282	100.0		

Table 23 - "Evaluate the comments shared from Negative to Positive" Frequencies

Exhibit 15.11.3 – Impacts of customer’s WOM on Merchants

Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...

		Frequency	Percent	Valid Percent	Cumulative Percent
Valid	Yes	29	10.3	47.5	47.5
	No	32	11.3	52.5	100.0
	Total	61	21.6	100.0	
Missing	0	219	77.7		
	System	2	.7		
	Total	221	78.4		
Total		282	100.0		

Table 24 - "From whom you shared experiences, was there anyone who bought the service/product ,without a discount" Frequencies

Exhibit 15.11.4 - Crosstab "From whom you shared experiences, was there anyone who bought the service/product, without a discount"* Age

Age * Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco... Crosstabulation

			Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...		Total
			Yes	No	
Age	19-25	Count	11	19	30
		% within Age	36.7%	63.3%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	37.9%	59.4%	49.2%
		% of Total	18.0%	31.1%	49.2%
26 -35	26 -35	Count	9	10	19
		% within Age	47.4%	52.6%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	31.0%	31.3%	31.1%
		% of Total	14.8%	16.4%	31.1%
36-45	36-45	Count	6	2	8
		% within Age	75.0%	25.0%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	20.7%	6.3%	13.1%
		% of Total	9.8%	3.3%	13.1%
>45	>45	Count	3	1	4
		% within Age	75.0%	25.0%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	10.3%	3.1%	6.6%
		% of Total	4.9%	1.6%	6.6%
Total	Total	Count	29	32	61
		% within Age	47.5%	52.5%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	100.0%	100.0%	100.0%
		% of Total	47.5%	52.5%	100.0%

Table 25 – Crosstab "From whom you shared experiences, was there anyone who bought the service/product, without a discount"* Age

Exhibit 15.11.5 – Crosstab "From whom you shared experiences, was there anyone who bought the service/product, without a discount"* Comments evaluation

Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-
 Negativos:Positivos * Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto
 (sem vale de desco... Crosstabulation

			Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...		Total
			Yes	No	
Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	Extremely Negative	Count	0	1	1
		% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	.0%	100.0%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	.0%	3.1%	1.6%
		% of Total	.0%	1.6%	1.6%
	Negative	Count	2	1	3
		% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	66.7%	33.3%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	6.9%	3.1%	4.9%
		% of Total	3.3%	1.6%	4.9%
	Nether Negative or Positive	Count	2	5	7
		% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	28.6%	71.4%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	6.9%	15.6%	11.5%
		% of Total	3.3%	8.2%	11.5%
	Somewhat Positive	Count	11	10	21
		% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	52.4%	47.6%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	37.9%	31.3%	34.4%
		% of Total	18.0%	16.4%	34.4%
	Positive	Count	11	11	22
		% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	50.0%	50.0%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	37.9%	34.4%	36.1%
		% of Total	18.0%	18.0%	36.1%
	Extremely Positive	Count	3	4	7
		% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	42.9%	57.1%	100.0%
		% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	10.3%	12.5%	11.5%
		% of Total	4.9%	6.6%	11.5%
Total	Count	29	32	61	
	% within Se Sim, avalie o tipo de comentários, tendo em conta se esses foram mais vezes Positivos ou Negativo...-Negativos:Positivos	47.5%	52.5%	100.0%	
	% within Do seu conhecimento, das pessoas com quem falou, alguma comprou o serviço/produto (sem vale de desco...	100.0%	100.0%	100.0%	
	% of Total	47.5%	52.5%	100.0%	

Table 26 - Crosstab Evaluation of the comments shared from Extremely Negative to Extremely Positive"* "from the ones you shared the experience, did anyone when back to the merchant (wihout the discount)"