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Groupon – A great way to attract transactional customers

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Although deal-of-the-day-websites such as Groupon are growing at a tremendous rate, we have identified potential problems primarily related to whether customers come back or not which can question the long term existence of these Websites in their current phase. Our overall purpose is to come to a deeper understanding of these problems and to explain them. Hopefully our results will be useful for businesses considering selling through this channel, the Websites themselves but also for investors and others affiliated. We have conducted a quantitative study on the Swedish market where we have surveyed end customers who have used coupons. We concluded that price is the main factor whether customers come back or not and that customers are generally not likely to come back. Also, the customers were to a high degree not quality customers. Moreover, we found that the likeliness of customers coming back to Restaurants & Cafés was higher than for companies in the Beauty & Health-category. Finally, offering discounts significantly increases the likeliness of customers coming back.

Keywords: discount coupons, Groupon, bargain hunters, price discrimination, reference pricing

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1. INTRODUCTION

1.1 Problem area

“Deal-of-the-day-websites” such as Groupon are becoming increasingly popular in Sweden and customers are flooded with great deals on massages, haircuts, restaurant visits etc. on a daily basis. At first sight, selling through these websites seems great for small businesses as they gain new customers without having to lift a finger or spend a dime on marketing. Many also hope that the word of mouth will make the newly acquired customers tell their friends and family leading to even more customers. The very high implied valuation of Groupon, which is currently in an IPO-process, is also based on long term growth and profitability potential. Groupon’s sales were estimated to \$760 million in 2010 and its valuation to \$15 billion, i.e. approximately 20x sales (Saba & Baldwin, 2011). Groupon is expected to reach \$1 billion in sales quicker than any company ever in history (Steiner, 2010).

Groupon, which was founded as late as in the fall of 2008, has been profitable since June 2009 according to themselves (Baldwin et al, 2011). Google also made a \$6 million offer in December of 2010 which was turned down. Sweden, which will be our market of focus, is dominated by Groupon, who acquired MyCityDeal in 2010. Its most important competitor is Let’s Deal - a Gothenburg based company founded in 2010. Let’s Deal was partially acquired by the Scandinavian media group Schibsted in the beginning of 2011, whom have an option to purchase the rest of the outstanding shares. So what is the correct terminology to use? Deal of the day-, Group buying-, or Social buying-websites? We will be writing “The Websites” in the rest of this paper to simplify.

The Websites usually promote one new deal, or more, per day which are distributed via the website, by e-mail (Groupon had +50 million subscribers by the beginning of 2011 (Groupon, 2011)) and social media channels such as Facebook and Twitter. According to Groupon, *These subscribers are not looking for “the perfect deal.” They’re looking for the perfect excuse to try something new. We get them to your business, and you bring them back again and again.*

In other words, Groupon claims that its subscribers simply want to try out new places and a discounted price is decreasing the perceived risk of doing so rather than just going there once due to the low price. *A recent survey indicates 89% of the business owners believed that Groupon brought in quality customers which were likely to be coming back.* (Groupon)

However, what if the customer is actually looking for “the perfect deal” without having the intention of coming back? A customer who does not have the intention to come back is unlikely to be recommending friends and family. *“The Groupon crowd are deal seekers,” said Nguyen Tran, co-owner of Starry Kitchen restaurant in downtown Los Angeles. “They tend to be real cheapos.” Tran said shoppers who come in to redeem a Groupon deal rarely turn into regulars who come back and pay full price.*” (Saba & Baldwin, 2011)

Given the quotes above it is quite clear that not all businesses believe that the Websites provide them with quality customers that are likely to come back. And although the customer is actually satisfied with the service and would pay full price for it, why would he or she bother to come back when deals on the same service pop up every other day? It is therefore interesting to research the factors explaining whether the customers come back. It is also interesting to see if there are likely to come back and if they can be seen as quality customers.

Prices are usually discounted with 50% or more and the Websites usually charge another 50% on the price of the coupon (Simon & Sullivan, 1993). Consequently the merchants only receive about 25% of what they normally should have received by selling the same service. Depending on the specific business this can in some cases lead to the merchants losing money on the first sale relying on the customer to return at full price in order to make up for the initial loss. Given that different businesses have different business models, we also wonder if the likeliness of coming back varies between different industries.

Diminishing returns should also be considered a risk since continuous deal promotions probably will increase the ratio of existing customers buying the deal which goes against the basic idea of The Websites, attracting new customers. This can in turn question the long term growth potential for the Websites. The future does not look brighter considering that Facebook is rolling out Facebook Deals and Google is rolling out Google Offers. Since we believe several of the customers to be quite price sensitive, it is also interesting to see if offering discounts can affect the likeliness of customers coming back. A returning customer at a small discount should in many cases be more profitable than a customer not returning at all and could possibly increase the chances for the business to make up for the initial loss selling through the Websites.

Furthermore, selling services at deep discounts through the Websites can potentially affect a business brand in several ways. Increased brand awareness and customer base on the one side

but also a risk a negative implication on the other side which also could affect the current customer base as well as those who have been selling through the websites. This is generally defined as brand equity and something that could be another factor affecting whether customers come back or not. Finally, the Websites have obtained very little academic research as of today.

1.2 Research question and purpose

Our research questions are connected to what we believe to be the largest potential problems for the Websites mentioned in 1.1. Our overall purpose is to come to a deeper understanding of these problems and to explain them. Hopefully our results will be useful for businesses considering selling through this channel, the Websites themselves but also for investors and others affiliated. Managerial implications will be mentioned especially in the discussion part in conjunction with our general thoughts about the future of the Websites. The previous, very limited, research on the Websites has focused on the merchants whereas we will be focusing on the customers and conduct a quantitative study of this new and quickly changing phenomenon. We have come up with these research questions;

- *What are the most important factors explaining the likeliness of customers coming back?*
- *Are the customers likely to come back and can they be seen as quality customers?*
- *Does the likeliness of coming back vary in different industries and discount situations?*
- *What affects brand equity and how does it explain the likeliness of customers coming back?*

1.3 Delimitations

We have chosen to focus on the end customers, those who have actually used a deal, and not the actual merchants. The reason for this is that we believe not all merchants have the ability to truly evaluate whether the customers are likely to come back at this early stage. After all the Websites are quite a new phenomenon, especially in Sweden. However, we do believe that most customers know whether they will come back or not right after using the coupon or perhaps already at the time of purchasing it. As of today, most deals consist of services. Accordingly, we will be focusing on the service perspective although deals on products do exist. The reasons for us focusing on the Swedish market are that it simplifies our collection of primary data as well as contributes to research about the websites on a more global scale since all publications have focused on the American market.

It is important to clarify that what we research whether customers are likely to be coming back and questions related to ditto. We are not making comparisons to alternative means of attracting customers such as traditional advertising, etc. It would be highly interesting to make comparisons but very difficult to measure in a general context. Also, achieving a certain level of customers that come back does not provide us with enough information to decide whether the businesses benefit from it or not. For example, it might be that 75% returning customers is not enough for some businesses and that only 25% returning customers is profitable for other ones. Given the large number of questions in our survey, we could have done several more tests and research of relationships. However, due to the scope of this thesis, we have limited ourselves to a few research areas which we believe are key to highlight and investigate.

1.4 Expected contributions

This thesis will contribute to research within a very young and specific area which has obtained little academic research so far although it can be linked to well established theories which we will examine in Chapter 2. No one else has solely focused on the customer approach and by covering several interesting research questions we expect to present fascinating results. Furthermore we hope that our results, particularly the managerial implications part, will be useful to companies considering selling products/services through the Websites. Moreover we hope to add value to the Websites since we target problems that they could possibly take on via different measures in order to improve their odds of a sustainable business model in the long run. Finally, we hope that our thesis will inspire more people to do research within this dynamic field by pin-pointing suggestions on further research.

1.5 Disposition

Chapter 2 consists of relevant applicable theories, in Chapter 3 we will be going through the method used and provide information about the data collection. Chapter 4 involves our results and in Chapter 5 the data is analyzed using the theories. Chapter 5 will also consist of a general discussion about what we have come up with as well as managerial implications.

2. THEORY

The most important part of this thesis is the gathering and analysis of primary data from the customers. However, applying relevant academic theory to the data will further help us answer the research questions and explain our findings. There is no theoretical framework regarding the Websites, instead we make use of well established theories which we believe to be related to the area. Since the key factor of the Websites and our area of research has to do with deep discounts, we believe the price related theories to be the most important for us. Thus we focus on theories regarding pricing (price discrimination and reference pricing), customer characteristics and loyalty (transactional and relational customers) and brand implications (brand equity). An alternative approach would have been to look deeper into other areas of theories such as customer satisfaction indices, value pricing and value propositions. Although applicable we believe the theories chosen to suit our research questions better.

2.1 Relational and transactional customers

Customers can generally be divided into relational and transactional customers. Relational customers tend to seek for a long term suppliers of products and services. Important factors are quality, service level, relationships, trust, etc. Repeat purchase, increased usage and word of mouth are considered to be behavior that signals that the customer is relational (Bhattacharya & Bolton, 2000). Transactional customers are the opposite, they primarily care about the price and the terms. Always scouting for the best price, they tend to treat even services as homogenous commodities. Most businesses obviously rather attract relational customers although they might be hard to find and convince. A strong general trend is that relationship marketing is growing stronger and its focus area is customer retention since it is generally less expensive to retain a customer than to gain a new one. Sometimes even small increases in retention rates can have significant effects on profitability (Bhattacharya & Bolton, 2000).

Furthermore, the stronger the relationship the higher the switching costs for the customer.

Relational customers tend to demand extensive introduction to a new place and the chance to thoroughly try it out before they will decide to become returning customers. To them the Websites may rather be about being introduced to new, possibly future, suppliers rather than enjoying deep discounts. According to Grönroos (2004), *“a relational approach to marketing can be expected to be successful only if the firm adopts a true relational intent and the customer is in a relational mode”*. In other words, assuming a firm has the intention of attracting relational customers it must adopt a relational approach through the entire process. Since the relational customers are concerned

with high quality, flexibility and service, it is important that they are treated in a relational way and not in a “oh no, yet another bargain hunter”-way with arrogant, stressed personnel and low flexibility when it comes to bookings. The merchant must signal that it is looking for relational customers, despite the fact that they have been generated through the Websites. However, this is of little use in most cases if the customers are in a transactional mode from the start.

However, there are also theories suggesting that merchants take on both a transactional and relational approach: *“use of both transactional and relationship marketing can benefit small firms by securing transactions while also producing a range of relational benefits including: access to new customers through referrals and introductions; access to a range of resources including information and advice and the building of trust and normative connections with customers which can increase switching costs and encourage their repeat business.”* (Hultman & Shaw, 2003). Nonetheless, secured transactions might not be attractive in all cases if for example the income is lower than the marginal cost which is sometimes the case with the websites. *Many respondents reported disillusionment with the extreme price sensitive nature and transactional orientation of Groupon users.* (Dholakia, 2011). We believe that most customers are transactional and primarily care about the price, which leads us to our first hypothesis.

H1: Price is the most important factor explaining the likeliness of customers coming back

2.2 Reference pricing

Reference pricing theory is based on the fact that customers often refer a price of a product or service to what they believe is a reasonable price. The rational consumer, also known as the economic man, will only buy a product or service if the price is lower or equal to the perceived value (Lao, 2010). Reference pricing can be both external and internal. External reference pricing often involves a customer being exposed to a discounted price which is compared reference prices such as the list price, a competitor’s price or the price of a substitute product or service. Internal reference pricing comprises a price that the customer remembers from the past (Biswas et. al, 1993).

However, the reference price does not necessarily equal the customer’s perceived value or the rational price. It might be that the customer believes the reference price for an hour of massage is 500 SEK. However, if the customer has recently bought the same massage at a discount price it might that the reference price in his or her mind has changed. Reference pricing can also be

linked to the price the customer is expecting to be paying somewhere else. I.e. knowing new deals on massages at 200 SEK come out every now and then a new reference price has been established and then the customer will not be wanting to pay more than that for the service. Connecting the theory above to Groupon's statement given in the introduction gets us to our second hypothesis. We consider a relational customer to be a quality customer.

H2: The customers are not likely to come back and are to a high degree not quality customers

Nevertheless, making reference prices in restaurants should by definition be harder to make since "an hour of massage" is quite standardized whereas a meal at a restaurant is ambiguous and can differ so much more. Also, being given a voucher of a specific value at a restaurant means that the customer gets money taken off the tab. It probably does not change the reference price of a steak with fries from 100 SEK to 50 SEK. *Promotions may erode probability of purchase because the consumers may lower their reference prices, thus increasing their price sensitivity and perhaps harming brand equity.* (Kalyanaram & Winer, 1995). Given the large differences between different industries, our third hypothesis follows below.

H3: The likeliness of customers coming back varies between different industries

This also implies that making too many promotions on the Websites can be risky since a brand that is often promoted may confuse the customers regarding what the normal price is, decreasing their reference price (Kalyanaram & Winer, 1995). Consequently, the price of the deal becomes the reference price and not the actual perceived value. *"A return to the normal price may look to the consumer like a price increase"* (Kalyanaram & Winer, 1995). There is also a possibility that the businesses increase their "regular price" very much in order to be able to present a large discount compared to this reference price.

2.3 Price discrimination

Price discrimination theory is based on the fact that different customers have different willingness to pay for services and products. Basic supply and demand implies that a lower price will increase demand. However, it is not optimal from a profitability perspective to sell a product or a service at a price which is lower than the customer is actually willing to pay. Price discrimination can be divided into different degrees (Arabshahi, 2010). First degree price discrimination only involves pure price changes in order to attract new customers. Second degree

price discrimination is based on quantity discounts, i.e. the larger the quantity bought the lower the price. Third degree price discrimination is the example of student and senior discounts where a barrier, or proxy, is needed in order to prevent regular customers from enjoying the lower price (Armstrong, Vickers 2001). It is also important that third degree price discrimination is accepted by the regular customers paying full price and most working adults probably understand that students and seniors do not have as much disposal income and therefore accept it. If it is not accepted then it can be considered unfair by the regular customers which possibly could make them unsatisfied and not come back.

For price discrimination to work companies need not only to identify different segments and their price-sensitivity but also reach out to them in an appropriate way. Coupons are known as a proxy and an example of indirect segmentation. Since different segments have different price sensitivities and preferences, price discrimination can be an efficient way to broaden the customer base and through that increase total revenues and profits. This as the company has the ability to sell to segments which otherwise never would have bought the product or service at full price.

Generally, well managed price discrimination increases net profits as long as the price is higher than the marginal cost of the product. In other words, as long as the marginal cost of the product or service is 25% or less of the regular price in a typical coupon scenario, it should be profitable for the companies to use the websites from price discrimination (not taking into consideration risks linked to brand equity, failing proxies etc.).

In a competitive market, price equals marginal cost. Wherever there is price discrimination, price deviates from marginal cost. Therefore, if there is price discrimination, the market must not be competitive and there must be market power. (Levine, 2000)

Could the Websites be an efficient tool for business to do temporary price discrimination without having to do it on a regular basis? It might be that the company does not want to display discounts on its website for example since it might risk to decrease revenue from the current customer base. Then the Websites work as an intermediary and perhaps the target group subscribing for the deals is very different from the merchant's current target group. The websites will then be efficient for price discrimination in the first place and then the merchants can carry on their, secret price discrimination by adding discounts.

The users of coupons are more price elastic than nonusers of coupons (Narasimhan, 1984). Given that we expect most customers to be very price sensitive, we state our fourth hypothesis the following way.

H4: It is more likely that the customers come back if they are offered discounts

2.4 Brand Equity

A brand can be portrayed as a balance sheet with assets on the left side, containing e.g. brand awareness, brand loyalty and liabilities on the right side containing e.g. customer complaints, service failures and negative associations. Subtracting the liabilities from the assets gives the brand equity (Aaker, 1996). Obviously a Groupon campaign will increase awareness for a brand but will it create any loyalty? What about potential service failures and also negative associations? Consequently, selling through the Websites should not be carried out if it has negative net effect, i.e. decreases brand equity in the long term. Brand loyalty can either be based on finance, i.e. an exact valuation of the brand on a company's balance sheet or for M&A-reasons, and customer-based valuation has a more soft approach. *Customer-based brand equity is defined as the differential effect of brand knowledge on consumer response to the marketing of the brand.* (Keller, 1993).

Without doubt, the brand of the small business will be affected one way or another by being on the Websites. While most expect their brand value to increase by the fact that brand awareness increases and perhaps also by the fact that they will be portrayed as hip and modern in using the websites. But what about other signals that made be sent out? Signs of desperation? Existing customers feeling that their supplier becomes less exclusive when it is trying to attract bargain hunters which they do not want to be connected to? Given the above, we state our fifth and final hypothesis below.

H5: Brand equity is affected which alters the likeliness of customers coming back

3. METHOD

3.1 Choice of topic

There are many fast growing Internet phenomena and we find the Websites to the most interesting one. Given the rapid growth of Groupon with an IPO in the near future with many different opinions on the valuation of the company it would be interesting to understand the big picture. After scanning the existing field of knowledge, we found that the number of reports and

articles could be counted on one hand, even though Groupon is expected to be the fastest company in history to reach \$1 billion in sales (Steiner, 2010). Since there were no reports or articles evaluating customers quantitatively, we concluded that this was an area within which there was a great knowledge gap. The chosen area of research was discussed with our supervisor Micael Dahlén, professor in Marketing, who confirmed the need for further research in this area. Given the sensational growth of the Websites and the very unexplored area they operate, we were very enthusiastic to examine this marketing tool phenomena.

3.2 Scientific approach

We chose the quantitative approach since we feel confident in what questions to ask and what patterns we want to investigate. The questions have been based on the hypotheses and our intention is to understand the business of the Websites. Our study is based on exploratory research given the young nature of the Websites which helps to understand and answer our research questions. Since our purpose was to investigate the respondents of the Websites and attempt to make general conclusions for the customers, a quantitative approach was to be preferred compared to others (Malhotra & Burks, 2007).

3.3 Research design

As of today very little has been written about the Websites (Dhokalia, 2010, Dhokalia 2011, Edelman et. Al, 2010 & Byers et al, 2011) none of which focuses on the customer perspective. Dhokalia surveyed small businesses that had sold through Groupon. Edelman et. al took on a more theoretical approach and concluded that promotions are more profitable for businesses that are either unknown and/or have low marginal costs. Byers et. al studied purchase incentives. This can be seen as an evident lack of background information about the Websites and whether customers will come back based on their opinions and intentions.

With this in mind, a quantitative approach has been used through performing an online survey targeted at customers who have actually used deals. By doing so, we aim to achieve a foundation to answer our research questions, increase the knowledge about the Websites and broaden the research in this field. It would be optimal to co-operate with e.g. Groupon to obtain a representative sample of the whole population. However, we believe it would be hard to achieve within the scope of this study, especially regarding the fact that there would be a potential risk of us receiving biased data. Instead we have gathered a convenience sample which we still believe to be quite diverse regarding ages and an even distribution between the sexes. Also, there is a risk of non-response bias which means that the responses we received may differ from potential answers of those who did not do the survey.

We are aware that we cannot treat these results as a randomly selected sample. This is due to the fact that we cannot understand the probability of an individual's choice to be part of the survey and if the respondents consists of more people who are more/less likely to be positive towards the Websites. Therefore, the statistical tests cannot in general be applicable for the whole population. However, we believe the results are in line with what you could expect from the Websites' users and there is nothing that disagrees with that these results could be accurate for the actual customer base. Even though we cannot prove this connection, the gender proportion between the respondents and the inhabitants in Sweden (SCB, 2009) are almost identical, which improves our belief of the respondents' answers reflecting the Websites' actual users.

Given the purpose and scope of the study, it would have been impossible to conduct this in any other way since involvement of the Websites could have had a great effect on the answers. In addition, since our single attempt to include the participation of Groupon in the study has failed, the chosen way appears correct.

3.3.1 The Main survey

We ran the survey for two weeks and in order to create an incentive for the respondents we donated 5 SEK per answer to Rädde Barnen, a Swedish charity organization and handed out cinema tickets to a few of the respondents. We believe this can have contributed to more people have chosen to be part of the survey and hence decreased the effects of non-response bias.

Survey design

The survey was created with Qualtrics, Stockholm School of Economics' free online survey service. To minimize the amount of missing values, all questions were compulsory except for the e-mail address. IP-addresses could only be used once to eliminate the chance of someone given a greater than proportional effect of the results. The survey itself consisted of closed answers alternatives based on Malhotra et al. (2007), except the questions regarding which website that was used when buying the deal, age, sex etc. to give the data some complementary information. The closed questions could be answered on an interval scale from 1 (completely disagree) to 10 (completely agree). This was in agreement with marketing professor Micael Dahlén and the structure was consequent through the entire survey.

Three control questions were included in the survey to improve the reliability of the survey.

These questions were compared with one very similar question with help and acceptance from Micael Dahlén.

Same deal again: *Would you be willing to buy exactly the same deal again?, I can imagine that I will purchase the same service again from the same supplier at a discount price.* An index was created with a correlation of 0,844.

Full price: *Would you be willing to return to the same place and pay full price for the same service?, I can imagine that I will purchase the same service again from the same supplier at full price* An index was created with a correlation of 0,861.

Full price within foreseeable future: *Do you believe that you will go back to the same place and pay full price for the same service within a foreseeable future?, I believe that I will go back to the same place and pay full price for the same service within a foreseeable future.* An index was created with a correlation of 0,873.

The definition of foreseeable future is quite ambiguous but we believe too many customers would be stressed if we had asked within a given period of time. Also, different services are consumed more or less frequently which was a reason for us to have a broad definition.

We categorized the different deals into Sport & Leisure, Restaurants & Cafés, Beauty & Health and “Others”. This categorization is used by Groupon and we also believe the characteristics within the different categories, especially Restaurants & Health, to be quite similar. In Beauty & Health we included hairdressers, massage, spa, oral care. Exercise and training, such as gym visits or yoga classes, were included in Sport & Leisure. The reason for this is that we wanted to categorize businesses similar business models as possible, especially regarding marginal cost.

Since indices were created, values that was not possible to answer in the survey were created (e.g. value 5,5 for a respondent answering 5 and 6 on the question and its corresponding control question). Altogether, this has been done to get a comprehensive answer to our research questions.

Survey distribution

We received a total of 408 responses but unfortunately a majority of the respondents participated had never used a deal. Altogether, we had 20 missing values and 6 respondents that were

excluded since it had a larger difference than two standard deviations. After excluding these, our convenience sample consisted of 126 respondents which had fully answered all our questions and without “failing” the control questions. Because our data is not a randomly selected sample, this could be seen as negative since it might not reflect the total population (Malhotra, 2004), but in line with previous discussions, this was the only way to investigate this marketing phenomena. The survey was mainly distributed via an open Facebook-event where we also contacted random people who “liked” Groupon, Let’s Deal etc. asking them to take our survey.

3.3.2 The second survey

In addition to this main survey, a second survey was conducted in order to create an understanding for the customers by their own words and to put them in front of a situation to see the difference when a company offer discounts after a deal. This survey were also created through Qualtrics.

Survey design

The second survey was open for one week and aimed to get quotes that described the typical intention of the Websites customers and included a situation test to compare the importance of discounts after a deal.

Survey distribution

We e-mailed the respondents that have announced their e-mail address in the first survey and received a total of 38 responses. Out of them, two was eliminated for having missing values, which resulted in the second survey consisted of a convenience sample of 36.

3.4 Reliability & Validity

To be able to determine the research quality, Yin (2009) recommends an evaluation of the Study’s reliability and validity.

Reliability

Reliability shows how much the value measured deviates from the real value because of random measurement errors (Malhotra et al. 2007, Söderlund 2005). In order to estimate a high quality of research several measurements have been made on similar questions. Through comparison of these control questions to the ones they are meant to imitate, we could exclude false answers from our survey to get more accurate results. This is one of the most common ways to appreciate reliability (Söderlund 2005) and have been included in the right manner through help

from Micael Dahlén. With help from the control questions, an index was created in SPSS through a reliability test. All the respective paired questions received a satisfactory value of correlation ($>0,7$) in accordance with Peterson (1994) and Söderlund (2005). The values were 0,844, 0,861, 0,873 which proves that the questions capture the same essence of the questions.

The consequence of including control questions in the survey helped us excluding outliers from our survey to get more accurate results. Consequently, six samples of the total data had a greater difference than two standard deviations and were therefore excluded. Through this additional exploration, the R^2 was marginally improved, combined with the same factors being significant, it increased the quality of the research.

Internal validity

The correspondence between the results from the study with reality is defined as internal validity (Merriam, 1994). Together with professor Per-Olov Edlund, we computed an additional survey to generate a greater understanding of the customers opinions to the Websites. Through the possibility of themselves mentioning what they believe is key to the intention to come back for the customers and comparing those answers, we can find what are the most important factors. This eliminates our possibility to ask for the answers we are looking for and hence, increase the chance of the effects being measured in a correct manner.

In addition, we did not believe a qualitative approach (e.g. focus groups) was suitable, since our hypothesis assumes the customers are very price sensitive which could be interpreted as them being stingy. The measures should be intended to eliminate the fear of individuals to assure their true opinions (Yin, 2009). Being stingy, or cheap, could possibly be something that people do not openly want to signal to others and could therefore restrain themselves and thus affect the quality of the answers. Instead, through having an anonymous survey online these opinions could much easier be attained without any external pressure and hence give more accurate results. Having this in mind, we believe we have secured a high internal validity for this study.

External validity

The measurements used in the study should not include any random or systematic measurement errors and measure what it is meant to evaluate (Malhotra et al. 2007; Söderlund, 2005). In case of external validity, the analysis should get the same results if performed again under similar circumstances. We have excluded the possibility of the samples being affected by overstated

answers by working with this study independently without any influence of the Websites which it concerns. However, through this approach we cannot assure a randomly selected sample, which we possibly could have received through potential cooperation with e.g. Groupon. Due to this, our answers are built upon a convenient sample. What indicate a decent external validity, according to professor Per-Olov Edlund, is that the respondents gender distribution is similar to the inhabitants. The respondents gender distribution is approximately the same as in Sweden (SCB, 2009), which indicates external validity. Since qualitative approaches in general have lower external validity (Yin, 2009 & Bryman, 2006) it gives us additional indications that a quantitative approach was to prefer.

We do want to stress that this is a convenience sample and their answers in this thesis do not necessarily reflect the Websites customers, but could be seen as an explanatory example of what factors that are key and what the intentions of the customers could be. Our aim with this thesis is to raise discussions about the phenomena; the Websites, deliver managerial implications and provide recommendations where further research can be done.

3.5 Instruments of analysis

The programme used to analyse the data given from the survey was SPSS Statistics 19.0. Through this statistics programme, we performed all the analysis used in the essay.

4. RESULTS

In this part we aim to address the key questions of our thesis to understand what factors that explain the intention, the likeliness for customers to come back and differences between different industries and discount situation and how the brand equity is affected. With help from the theories, this will help us answer our research questions in a systematic manner.

The key with this analysis is to understand what factors are the most important for the customers intention to come back and how it affects the likeliness to come back. A depth analysis of the two most common categories (Restaurants & Cafés and Beauty & Health) will then be performed, together with comparisons of companies offering discounts and not. These categories together achieved approximately 83% of all the responses and are in general the most common deals on the three largest Websites in Sweden.

Out of the 126 respondents, 52,7% were male and 47,3% female (Appendix – Table 4). This percentage split between genders therefore seems very reasonable and should give a good indication of how the Websites customers actually think. The age mean was 26,7 years (Appendix – Table 3) and the largest Websites in Sweden each had a good proportion of the respondents; Groupon (60,3), Let's Deal (22,2) and Gruppi (15,9) (Appendix – Table 5).

4.1 What are the most important factors explaining the likeliness of customers coming back?

To answer this question, we performed a linear regression starting out with the independent variables: price, quality, service and location. Due to this, we can explain how much the independent variables increase when the intention to buy the deal again at full price increases by one.

The linear regression gives an adjusted R^2 value of c. 0,2 - which is low but acceptable according to Micael Dahlén, especially considering the few independent variables. It clearly shows that there is a connection between the likeliness to come back again and the four independent variables. Additionally, the collinearity is low (<10) of the different independent variables, which are often regarded as indicating the absence of multicollinearity.

Dependent variable: How likely is it that you will return and pay full price

Independent variable	Unstandardized Coefficients B	t	Significance level
Price	0,43*	5,15	0,00
Quality	0,24*	2,43	0,03
Location	-0,13	-1,19	0,24
Service	-0,08	-0,53	0,60
Adjusted R^2	0,21		
Collinearity	9,22		

Notes: * Denotes significance at a 5% level. The significance level of the model is .000

The independent variables, service and location, had no positive Beta value of affecting the dependent variable and did not have an acceptable significance level. They are not significant on a 5% level, and it is not reasonable that, for example; a worse location increases the likeliness to return. However, according to Fredrik Törn (PhD in consumer marketing), this test indicates that these variables are not to a large extent important for customers when they decide if they will return or not.

When investigating Beta values, it shows the high importance of price in this study. Price is the variable that affects the dependent variable the most of the independent variables ($\beta=,43$). Quality has a considerable low Beta value ($\beta=,24$), since it clearly shows that the respondents are more price sensitive than quality oriented. It is not just that it is greater, it also affects the dependent variable c. 1,8 times more than quality.

H1: Price is the most important factor explaining the likeliness of customers coming back:
Accepted

4.2 Are the customers likely to come back and can they be seen as quality customers?

Given the high Beta value for price (0,43) discussed earlier, it can support the hypothesis, i.e. that customers are not likely to come back. Groupon states that 89% of the business owners believed that Groupon brought in customers which were likely to be coming back, which we will investigate below.

Intention to pay full price and within a foreseeable future

We asked the respondents if they themselves found it to be likely they would buy the same deal again at a discount, coming back and pay full price and coming back paying full price within a foreseeable future. The median was calculated from the index of the question and its relevant control question.

	1st Quartile	Median	3rd Quartile	Mean
Same deal again	7,5	8,5	9,5	8,0
Full price	3,0	4,3	7,0	4,9
Foreseeable future	2,0	3,5	6,5	4,2

Notes: Total samples 126.

We feel certain that this data is appropriate for explaining the Websites' customers. Customers intention to come back within a foreseeable future showed a median value of 3,5 which could be put in comparison to that the indifferent value of 5,5. These results shows that even if the customers are very happy with the deal (Median = 8,5) they still have a low intention to return to the company within a foreseeable future and pay full price.

These conclusions are also supported and shown very clearly in the Scatter diagram (Appendix – Table 1) – where the same people who are happy with the deal – in most cases, have a very low the intention to return.

We have not investigated probabilities, hence we cannot give an exact percentage chance for companies to retain the customers. However, we can state that the value is much lower than the indifferent value and could also been seen as quite low, both in absolute and in relative terms. We compared our findings to Groupon's survey mentioned in the introduction; that 89% of the business owners believed that Groupon brought in customers which were likely to be coming back. What likely means in this context is not completely clear. However, it should mean that it has higher probability to occur than not. Having this in mind, we could convert the customer's intention into the likeliness of coming back.

More vs. less likely

In line with political surveys in Sweden, a politician often gets evaluated on a scale 1-5. Where 4-5 shows; okay to good confidence, 1-2; very low to low confidence and 3; an indifferent value (matching the value of 5.5 in our survey). According to professor Per-Olov Edlund, the interval scale 1-10 could be roughly adjusted as percentages. In this section, we compare the respondents being more likely (>5.5) and less likely (<5.5), where 5,5 is neither more or less probable to return. The data shows that 69,8% of the respondents are less likely to return and pay full price within a foreseeable future vs. 25,4% who were more likely to come back (Appendix – Table 2).

Quality customers or not

To address the survey findings of Groupon - that 92% of the businesses said that Groupon brought in quality customers - we had to create a definition of what we believe to be quality customers. This statement does not say anything about how many quality customers Groupon attracts, but either way, it is fundamental from a company's perspective to get a picture of what to expect.

We characterize the respondents that have answered the value eight or above in the survey as quality customers, how well this correspond with reality is hard to say. Nevertheless, if we can say that on a scale from 1-10, respondents that have answered 1-5 is less likely and 6-10 are more likely, it seems reasonable to make a further split in the "more likely" category. Since 8-10 includes three of the more likely values, it should give a fair (or even more than fair) picture.

According to the cumulative percentages of the respondents that will return and pay full price within a foreseeable future (Appendix – Table 2), it shows that 12,7% are quality customers. The results clearly differ from Groupon's statement and hence we can accept our hypothesis.

H2: The customers are not likely to come back and are to a high degree not quality customers: **Accepted**

4.3 Does the likeliness of coming back vary in different industries?

The main goal with this section is to understand if different industries are differently likely to have customers coming back. The two categories analyzed are Restaurants & Cafés and Beauty & Health. The natures of the chosen industries are very different in comparison. Factors such as frequency, cost, how many that can use it at the same time, raw materials, spare capacity, human capital involved etc. vary widely. Hence, a comparison between the two industries should be appropriate to address if there is a significant difference in the likeliness of customers coming back.

	Restaurants & Cafés	Beauty & Health	Difference in Median	Significance level
Same deal again	8,5	8,5	0,0	0,90*
Full price	5,5	3,5	2,0	0,01*
Foreseeable future	4,5	3,0	1,5	0,00*

Notes: n = Total of 109 where of 57 from Restaurants & Cafés and 52 from Beauty & Health. Independent test used (Mann Whitney) to compare difference in median value. * Denotes significance at a 5% level.

The difference in using the same deal again between the two shows no significant difference. This means, that even though the customers are equally happy with the deals from both industries, they are more likely to return to the Restaurants & Cafés. Since there are significant differences in median values for the different branches, it leads to this conclusion;

H3: The likeliness of customers coming back varies between different industries: **Accepted**

4.4 Does the likeliness of coming back vary in different discount situations?

Since the Websites offer services at heavy discounts in order to attract customers, price could be argued to be a very important factor. If the intention to come back differ in the cases when companies offer discounts (e.g. student or senior discount), this could be seen as valuable for merchants to consider before selling through the Websites.

Actual results of offering discounts

In this case we grouped the ones that knew that the company did not offer discounts together with the ones that did not know if they did. The reason behind this logic is that only the answers should be affected if they knew that the company offered discounts. Hence, we recoded these answers into different variables as one combined “no discounts”.

In line with the third degree price discrimination theories, companies could offer discounts such as student or senior discounts. It might, however, be hard however to create other proxies for those who are neither students nor seniors. The value regarding the intention to buy again within a foreseeable future is quite low, probably due to price being the factor that affect the intention the most. By investigating how the results differ between companies that offer discounts after the deal is done, we can give a consulting approach if it would be seen as efficient to offer discounts.

	Discounts	No discounts	Difference in Median	Significance level
Foreseeable future	4,5	3,5	1,0	0,27*

Notes: n = Total of 126 where of 14 that offer discounts and 112 of the ones that does not. Non parametric test used (Mann Whitney). * Denotes significance at a 5 % level.

Out of the convenient sample, less than 30 respondents answered “yes” concerning companies that offer discounts. It shows a median difference, but our hypothesis cannot be accepted since the significance level is too large. If we could get significance– it could be seen as additional evidence that the Websites customers are very price sensitive. Consequently, an additional survey was created.

Situation test – if a company would offer discounts

In this survey, the respondents were put to the situation “if a company would offer a discount themselves, to what extent could you now imagine yourself returning and paying full price (less discount)” compared to exact same question except discount.

	Full price - discount ¹	Full price ²	Difference in Median	Significance level
Intention to return	8,0	5,0	3,0	0,00*

Notes: n = Total of 36. Independent test used (Wilcoxon signed ranked test) to compare difference in median value. * Denotes significance at a 5 % level.

¹ Imagine you bought a deal for 200kr, regular price for the service is 500kr (e.g. 60% discount). Would you be willing to return to the same place and pay full price, 500kr, for the same service if you were happy with the deal?

² Imagine the same situation, but that now you are a student and the place instead offers a student discount of 25% to encourage you to return. Would you now be willing to go back to the same place and pay 375kr for the same service provided if you were happy with the deal?

The results show a very great jump in intention when the respondent imagined a situation to return if the company offered discounts compared to not (with all other conditions equal). Offering discounts shows almost an as high value as in the question concerning “would you buy the same deal again” in our first survey. The median value is 5 for coming back paying full price (compared to first survey of 4,25). The difference is understandable since it is very likely to have been affected through the additional condition; that customers were happy with the quality of the deal. Given these results, our hypothesis could be accepted.

H4: It is more likely that the customers come back if they are offered discounts: **Accepted**

4.5 What affects brand equity and how does it explain the likeliness of customers coming back?

The signal effects have been addressed through asking how well a customer agrees with different statements. We asked if the customers if they believe it is a sign of desperation from the companies to be promoting themselves on the Websites. Given the large amount of customers that often buy a deal, it is important to investigate how hard it is to make an appointment and whether the customers think that the quality of the service is affected.

	1st Quartile	Median	3rd Quartile	Mean
Desperate companies use it¹	2,0	3,0	6,0	4,1
Lower perceived quality²	1,0	2,0	5,0	3,2
Hard to make an appointment³	3,0	5,0	7,0	4,9

Notes: Total samples 126.

¹ Companies that use daily discount sites are desperate and unable to get customers in other ways

² The quality of the service is worse just because I bought it at a discount

³ It is difficult to quickly find a good time to use the deal before it expires

These results show a quite low but still noticeable value, meaning the companies are perceived as desperate to a low extent. A median value of 2,0 was generated from the survey for perceived quality. This could be seen as very low, but it does also clearly show that a small difference between actual quality and what the customers believe it would be if bought for full price. The appointment problems can be seen as an important aspect of the websites since the value (5,0) is significant.

Correlation between the statements and intention to come back was done but with no big influence regarding the intention and was not significant on a five 5% level (Appendix – Table 6). However, the conditions between the deal and conditions of returning are different (the price increase) is likely to affect why the correlation is low. The results do however receive high values and was therefore included since they can affect other key aspects of the customers and can still be seen as a weakened brand value.

H5: A weakened brand equity affects the likeliness of customers coming back: **Rejected**

5. CONCLUDING DISCUSSION

5.1 Discussion

5.1.1 What are the most important factors explaining the likeliness of customers coming back?

Price is the most important factor, and the significance of it compared to quality, raises the question if the Websites in fact generate quality customers. Since the Beta value for price is significantly higher than quality (1,8x), one can argue that the Websites actually generate bargain hunters and consequently transactional customers. Even if we have not used the same dependent variable as in 4.1 (full price vs. full price within a foreseeable future), this helps explain why it has such a low value.

To apply the theories of relational customers and transactional customers, this regression explains that the primary target is price, which indicates transactional customers. Some services could be seen as more homogenous than others, however, the transactional customers tend to have this attitude regardless of the circumstances. Price is often the key driver in making a customer buy a deal, combining our results with the theories we can conclude that the Websites mainly attract transactional customers.

A relational customer is often thoroughly testing a service before turning into a loyal, returning customer. Since the key parameter (quality) implies if the respondents consist of relational customers or not, generates a lower Beta than price, leads us to the conclusion that customers classified as relational are undoubtedly in minority. We do not argue that the Websites do not generate relationship customers, however we argue that they generate primarily transactional customers.

“It seems stupid to pay full price. People sign-up in large part because of the price, the very large discount is the deciding factor for purchase” (Survey respondent)

5.1.2 Are the customers likely to come back and can they be seen as quality customers?

Intention to pay full price and within a foreseeable future

The median value of 3,5 is very low even though customers are very happy with the deal (median = 8,5). The aim of this question was to create an understanding of the customers. The Websites facilitate the use the first degree of price discrimination, which is based solely on changing the

prices if we do not take specific conditions into consideration, which is a very efficient way of increasing demand rapidly. However, since the median value of returning within a foreseeable future could be interpreted as quite low, one could argue that the discount are set too high and consequently attracting the wrong kind of customers (bargain hunters).

It does not make any sense to offer a service for less than what the customers could be willing to pay. Therefore, we believe that by decreasing the discount, it would result in less people buying the deal but it would probably also increase the likeliness of customers coming back since the worst bargain hunters would be excluded. This is coherent with the theories of reference pricing. The rational customers remember the price they paid earlier and will use it as a reference. Since most of the deals offer a discount of at least 50%, the reference price will consequently be a lot lower than what is usually should be. *"Reference Pricing. If I have paid a certain sum for something I do not want to pay more regardless of whether it is worth more"* (Survey respondent)

There is also a risk that reference pricing becomes a vicious circle which decreases the credibility of the Websites. *"whengroupon called me and wanted to run a <http://socialprintshop.com> deal, their sales rep basically told me to double the price of my product for a month to make things work for me giving a 50% off deal. Living Social did the exact same thing, as did another deal site that reached out to me."* (Arrington, 2011)

Imagine the reactions of the current customers? Sudden price increase in combination with less accessibility. In other words, a significant risk is taken by the merchant. Furthermore, the customers (both new and existing ones) will obviously feel ripped off if they do find out what methods that have been used. Sometimes it feels as if the Websites are too eager to attract new merchants in the short term without considering the long term consequences both for themselves and for the merchants.

To conclude, one should not rush into selling through the Websites without doing thorough analysis and coming up with a good strategy for handling the whole chain from before the sale, to offering to the service, to making the best of it afterwards and finally making a good evaluation whether it was profitable marketing or not.

Reference pricing can also be combined with brand equity. According to a blogger: *Every future client entertaining coming to your spa will know that you're willing to sell your services for dirt cheap. Why should they pay the full price that your services are worth? Discounts only work in one direction and only from some*

established value. Once you are exposed as a discount seller, you have lowered the value of your brand and begun your slide. Sites like Groupon feed on nice local brands like the devil. You get exposure, they get your soul. (Bice, 2010)

Accordingly, due to the customers new reference prices, there is a risk of a significant brand equity loss. Although the asset side will increase in value due to the increased exposure and brand awareness, it is also significantly lowered by the fact that the customers are not willing to pay an as high price. This can also be connected to the theories of relational and transactional customer. A merchant selling through the Websites may signal that it is looking for transactional customers by selling at a deep discount although it is actually looking for relational customers.

More vs. less likely

The data shows that 69,8% of the respondents are less likely to return and pay full price within a foreseeable future vs. 25,4% for more likely. We believe this is undisputable evidence that those buying deals on the Websites are, in majority; bargain hunters. This can once again be connected to Groupon's survey; 89% of the business owners believed that Groupon brought in customers which were likely to be coming back. Although one should not compare apples and oranges, it gives an indication that the Websites do not deliver what could potentially be expected. Since the business concept of Groupon is quite identical to the local Swedish competitors, we make these conclusions for all the Websites

Quality customers or not

According to our results, 12,7% are quality customers, which one again makes Groupon's survey seem too positive in a general context. When the discounts are as large they are, the quality customers probably need to return several times in order to make the merchants make up for the initial potential loss. We believe the Websites have changed the whole service industry landscape. Nowadays consumers know that a new deal will appear in the near future and could therefore, even if they are happy with their previous experience and the list price, just buy a new one when it pops up.

5.1.3 Does the likeliness of coming back vary in different industries?

The difference in median between returning to pay full price (2,0) and within a foreseeable future (1,5) is large considering there is no median differences in satisfaction of the actual deal between the two categories. We believe that this is due to the large fundamental differences between the

two categories where most people tend to eat out every now and then but much fewer people go for massages on a regular basis; *“The intention is low because people are signing up for things they usually do not use or may not really need. Take the opportunity to test when it is so cheap”*.

We also believe that a massage e.g. is quite homogenous and that this also explains the very low intention to return for specifically this category, which could also be explained through this quote; *“Because what is offered is often proprietary products that anyone can offer. If you get 50% discount you are prepared to take a detour to buy a product, but not if you pay full price”*.

When a company is faced with problems of overcapacity, it should look after alternatives to improve quantity by reducing price. The Websites could be seen as a very good alternative in this example. As mentioned in the theory part, companies with low or non-existing marginal cost (e.g. cinema), could implement a campaign through the Websites since all additional customers bring extra profits. However, there are also risks connected to this considering the reference pricing and brand equity-theories e.g.

It is quite obvious that our results show that the likeliness of customers coming back is quite low for most businesses. So what makes the results so much better for restaurants compared to the health sector? A blogger has put it this way:

Why do you think so many restaurants promote themselves with free food offers? It costs essentially nothing, but it brings people in and makes them aware of your business. Groupon is perfect for restaurants, and there will be big growth in instant/mobile groupons with restaurants. (Arrington, 2011)

We believe that restaurants are much less homogenous than massage parlors and other Beauty & Health-related industries. Location, atmosphere, food, service have a much larger potential of being differentiated than a massage. A massage parlor often has a nice, but similar, atmosphere and the massage usually feels good. It is hard to do things very differently within the scope of the business. We also believe that reference pricing has a significant effect here. An hour of massage is a very standardized deal which makes reference pricing easy to make, deals on restaurants however differ so much more and generally involve a value taken of the tab. The difficulty for customers to make reference prices within the Restaurant-category should in other words also be a factor explaining the higher likeliness of returning customers within this category. The median

value of 3,0 should either way make a company question the Websites as an efficient marketing tool, given today's conditions, if they operate within the Beauty & Health.

5.1.4 Does the likeliness of coming back vary in different discount situations?

The situation test shows a median value of 8 for customers coming back if the company offers discounts compared to the median value 5 if the company does not offer discounts. Companies promoting themselves on the Websites they should create an incentive for the customers to come back, for example discounts or loyalty programs. Using the Websites as a tool to promote the business and attract new customers, a company could create a loyalty program after having collected customer data during their first visit. Consequently, companies can create a database of bargain hunters which probably still can contribute to net profitability although they are not likely to ever be paying the full price.

5.1.5 What affects brand equity and how does it explain the likeliness of customers coming back?

Perceived quality is generally quite high in most of the responses and customers are general also happy with the actual quality of the services that they have bought. This can be seen as a positive feedback for the businesses that have used the Websites, as they had to the ability to maintain a high service level despite a strong inflow of customers. Otherwise there is a risk that places get too crowded, employees get too stressed out which works as a vicious circle as a lower quality further decreases the probability of customers coming back.

To link these findings with the theories within brand equity, we can address both the asset side (being brand- awareness and loyalty) and liabilities (complaints, negative associations etc.).

Of course the awareness of a service increases when promoted on the Websites. Our analysis shows a quite low intention of returning after using a deal, which could be roughly interpreted as a quite low loyalty. One could therefore argue for little positive contribution to the brand loyalty.

Discussing the liability side of the balance sheet, "desperate companies promote themselves on the Websites" obtain a median value (3,0), which could be seen as low. Nonetheless, in relation of the intention median value of 3,5, this could be seen as moderately important factor to consider. Since this is directly linked to negative associations with the company, it increases the liability side. Together with the potential service failure (hard to make an appointment), the liability side becomes even greater. The value attained from measuring the potential problems connected to making an appointment (5,0) is an interesting point of view. Having problems making an appointment or finding suitable times for the appointment may reduce the likeliness

of customers coming back even more. In addition, this can also affect the current customer base of presumably relational customers. They might feel let down or “run over” when not having the flexibility that they are used to and may consequently take the, to them, big decision to look for a new supplier.

We believe that these negative effects could differ widely between, for example; a traditional hair dresser compared with a start-up company that in reality has no existing customer base to jeopardize. On the other hand, a start-up should be careful with being giving away too many discounts in the beginning due to the reference price theory. It is hard to make an exact conclusion about these numbers and whether the brand equity increases or decreases. We do however believe it is very important to evaluate the signal effects and potential complications before promoting one’s business on the Websites. The very large potential risks should carefully be analyzed, although potentially hard to measure for some merchants. One could argue that if the brand equity is lower, it could influence the customers’ willingness to recommend friends which goes for both the new and existing customers.

5.2 Conclusion

In this part, we aim to answer our research questions from our purpose;

- *What are the most important factors explaining the likeliness of customers coming back?*
- *Are the customers likely to come back and can they be seen as quality customers?*
- *Does the likeliness of coming back vary in different industries and discount situations?*
- *What affects brand equity and how does it explain the likeliness of customers coming back?*

5.2.1 What are the most important factors explaining the likeliness of customers coming back?

Price the most important factor. Price has been shown to be the most essential factor explaining the likeliness of a customer coming back. Our results has shown that its relative importance compared to quality is as much as 1,8 times greater. This has led us to the conclusion that the customers of the Websites in general are bargain hunters – always looking for a new deal to an attractive price. Given these findings, it is very reasonable to draw the conclusion that these are primarily transactional customers.

5.2.2 Are the customers likely to come back and can they be seen as quality customers?

Customers are generally not likely to come back and are to a high degree not quality customers.

Even though the majority and median value of the customers is very high (8,5) the customers have a low intention to return and pay full price (3,5). This give extra support to our conclusion that price is the most important factor (since it is the only condition that has changed from the deal) and gives support to our conclusion that they customers mainly consist of bargain hunters. The theories of first degree of price discrimination and reference pricing gives our conclusion extra support and guidance in understanding the behavior of the customers. Given the large discount offered the first time, customers have a harder time paying full price.

The customers are not likely to come back. Out of the respondents, only 25,4% are likely to come back within a foreseeable future (value above 5,5). This is not in line with the Groupons figures of 89% were likely to come back and tells us that they are not likely to return.

The customers are in majority not quality customers. According to our own definition, only 12,7% of the customers are quality customers. Considering the high reduction in price, the risk of damaged brand equity and the risk of mistreating their existing quality customers – the Websites' effectiveness can be questioned. It is quite surprising that 95% of all merchants would do a new promotion (Groupon). That must imply either that less than half of the customers coming back and paying full price is enough for them or that their belief of the ratio of customers coming back is significantly higher than the data we have presented.

5.2.3 Does the likeliness of coming back vary in different industries and discount situations?

The likeliness of coming back varies between different industries and discount situations

In general, a company operating in the category Restaurants & Cafes is more likely to have customers coming back compared to a company within Beauty & Health-category. The main reason for this difference is believed to be that the Beauty & Health-segment is more homogenous than Restaurants & Cafes. Also, there is a greater risk of reference pricing in the Beauty & Health-segment which also affects the figures.

Customers are much more likely to come back if they are offered discounts. This is additional evidence of the importance of price as well of the customers being bargain hunters to a great extent. The large difference in the likeliness of returning to a company that offers a discount and compared to a company that does not is very large (3,0). Implementing discounts significantly increases the chances for companies to benefit from promoting themselves on the Websites.

5.2.4 What affects brand equity and how does it explain the likeliness of customers coming back?

The brand equity is affected but does not explain the likeliness of customers coming back.

The perceived quality of the services promoted on the Websites is generally lower than what it would be, if promoted outside of the Websites. This together with the discovered problems of making an appointment and signals of desperations, a campaign at the Websites could jeopardize a company's brand equity. Consequently, this directly affects a customer's willingness to come back a pay full price.

We did also investigate the correlation between the statements and the intention to buy again which did not result in any significant results. We believe this could be interpreted as; a customer may believe that a company is desperate but it does not affect his or her intention to come back or not. Since the restrictions are not the same as at the deal occurred (e.g. price not within budget restriction anymore) it is probable that this affects the values to a large extent. The intention to return does not however include a potential change in recommendation, decreased loyalty in the future etc.

5.3 Managerial implications

We have come up with several managerial implications which could be interesting to look at for companies considering using the Websites as well as the industry in general.

Winners and losers – The future of the Websites

The fact that the companies only receive about 25% of what they normally would is quite remarkable, this also greatly increases the risk and decreases the incentive of using the Websites. First of all, do customers really need as much as 50% discount to be willing to buy the deal? Maybe sometimes but since many deals are sold out, it would better to change the industry standard from 50% or more to say 30% or more. This is not the most remarkable thing however, the big question is how the Websites can charge as much as 50% of the total sale?

The Websites add little value, have low a fixed cost and great scalability. Commissions in general are significantly lower than 50%, often they are as low as 1-10%. In a ceteris paribus scenario this should lead to commissions being lower for the Websites than for e.g. real estate agents who do not have the same scalability. However, the difference is huge with a typical real estate commission at 3-5% and a Website commission at 50%. Naturally the price of a house is much higher than that of a service which makes the absolute numbers larger, but it is an important

point to make nonetheless. We believe that the Websites have changed the whole service industry, customers know that a new deal will come in the future and could therefore, even if they are very happy with the deal. Decreasing the level to 25% as well as decreasing the discount to 30% would make the company keeping more than half, 52,5%. This would double the merchant's income compared to today and the Websites would be more attractive to more companies.

Doing this would also exclude the most transactional, bargain hunting, customers. It is also important that companies signal that they are looking for relational customers if relational customers are what you want. This in turn achieved by offering outstanding quality and unless you will be doing to do so (no matter if you become extra crowded) then it is probably not a good idea to be selling through the Websites. The voucher itself must be used within a limited amount of time before it expires, usually six months. In the case that the voucher is never used the website keeps all of the money. This can also be questioned.

Different industries are better and worse off

It is quite clear that the lower the marginal cost for the product or service, the more attractive to use the Websites. A massage for example often has a quite high marginal cost since you need an employee all of the time which is a significant cost (unless there's overcapacity and they would be on the payroll anyway). However, an empty seat in a theatre offers practically no marginal cost and also offers significant potential for not discounted cross selling (such as food and drinks, wardrobe). The same goes for different sports-games where you have in extra advantage in the fact that the other visitors often get a better experience the more people in the stadium. Cross selling opportunities are great, e.g. food, drinks but also merchandise.

With Groupon this can be made in an easier way for most businesses, not only to implement it but also to market it to the right segments. It can for example be a theater that always has empty seats on Mondays, a low profile hockey game, a massage parlor with few clients in the middle of the day etc. Although these places could and often do make use of discounts and smart-market pricing it might be that few of its current customers see this and placing ads for it might seem not so profitable. Although the marginal revenue is often only 25% compared to normal pricing it is still more than zero.

Prepare staff and others

In some cases places must hire more staff and it can also be hard for the customer to book an appointment in the near future if many people have bought the deal. There are also examples of both Groupon and the local business underestimating the number of deals which will be sold and overestimating the capacity to deliver (Survey respondent). This has caused deals to be called back after the point of purchase which obviously makes the customers disappointed.

Reward loyalty

Offering a discount discounts significantly increases the chances of returning customers. It should not be a surprise that most people using the Websites are very price sensitive. It would be smart to offer them a discount of let us say 30% which should increase retention ratio significantly. Best of all, no commission would have to be paid to the Websites. One should however also point out that this means that the companies take a step away from the Websites, i.e. they are not needed at this stage. In other words, there is no incentive for the websites to encourage this behavior the way it looks now. Perhaps a reasonable model could be implemented where the Websites are involved even in a post-deal scenario without taking huge commissions.

Encourage cross selling

Perhaps you do not make much money on the deal itself, but this could still mean that the deal would be profitable in a broad sense if you consider cross selling. This goes especially for restaurants where you could charge full price for drinks, dessert etcetera. There is a tradeoff however and there is a great risk that many customers will get annoyed if they see that they are “forced” to cross-buying which will probably lead to lower sales of that deal.

5.4 Contribution to present field of research

Going through our thesis we do believe that we have achieved results in line within our expected contributions. We have clearly shown the potential problems with the Websites in an academic way which will hopefully be an inspiration for others wanting to research this very interesting area. Our focus on the customer-perspective is, to our knowledge, the first of its kind. Furthermore we have provided valuable managerial implications for both companies and the industry as a whole. Our thesis will perhaps also be a catalyst for change in a business that does not seem sound in the long term.

Our results have shown the extreme importance of price, which is more important than other factors such as quality and location. We have also shown the importance of effective price discrimination and contributed with specific managerial implications which could be taken on as general advice on customer acquisition, loyalty and marketing related to the Websites. The differences between relational and transactional customers have also been made more clear.

5.5 Future field of research

Writing this thesis has obviously given us many ideas on future research that would be interesting to take on. First of all, we have primarily researched customer intention and not behavior. Intention and behavior do not always go hand in hand and it would be interesting to examine actual behavior as well. Furthermore, making a case study on a company where you follow it for a year and compare the results of selling through the Websites with more traditional ways of attracting customers would be very rewarding. That way you could see if it is an efficient way of marketing and whether it is better or worse than its alternatives. One could also interview both the customers and the merchants regarding certain specific deals and see if their view on whether customers will come back or not differs. It would also be exciting to interview the current customer base and see if those who do not know about Groupon have experienced a worsened service / availability / quality and if those who know about Groupon have been dissatisfied due to this (customer satisfaction). Another perspective would be to solely look at the Websites and analyze their own marketing when promoting deals.

Furthermore, it would be interesting to work as a consultant in developing models for businesses where you help them take on their discounting programs. Also it would be of great interest to co-operate with Groupon in finding data, although it would have to be under very controlled conditions in order to avoid risking biased samples. One could also try to organize focus groups, either with only customers, only merchants or perhaps with them combined as well as staff from Groupon. It would also be exciting to follow businesses that have been satisfied with their first deal and see if they are equally satisfied with the deals that follow.

5.6 Critique of the study

Given the scope of this thesis, several decisions have been taken in order to secure a high quality of the study we undertook. One of them is that we have only examined a few questions although we could have looked at much more questions and statistical analysis given the larger number of relevant data from our survey. For example, our regression model has aimed to investigate the total customer base what factors are the most influential to at a later stage compare different

industries etc. The adjusted R^2 value is acceptable, but explains the intention to a quite low degree. We believe this could be influenced by a number of different variables as the nature of the Websites diverse offerings can vary widely on different occasions. For example, the different categories can have affected the value as well as independent variables that can be more important to different settings (e.g. atmosphere). It can depend on the customers are not rational in their economic behaviour as that people have very different experiences depending on the different categories of deals and the nature of the deal itself.

Of course, the customers personal taste, budget restrictions and prioritizations are additional variables that could have affected the low value of the explaining variable. Few studies have been made in the area which makes specific academic references hard to make as well as not being able to fall back on a specified theoretical framework. Moreover, the studies made have focused on the merchants and not on the consumers. Furthermore, most articles and publications written about the Websites have a very strong focus on the American market. As mentioned above, we are focusing on the Swedish market and make the assumption that customers are quite alike. Another problem is that we have based much of the thesis on what Groupon's survey. Not only was it made in the US market, it also involved merchants and not customers. We do not know if they would achieve the same results survey merchants on the Swedish market. However, we believe that similar numbers would have been presented in Sweden and is a promotional statement that needs to be addressed thoroughly.

Finally, although discount coupons have been around for ages, the Websites are a new phenomenon. This means that the business probably will change significantly going forward and conclusions drawn today do not necessarily have to concur with the future of the Websites.

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7. APPENDIX

Appendix 1 - Tables

Table 1

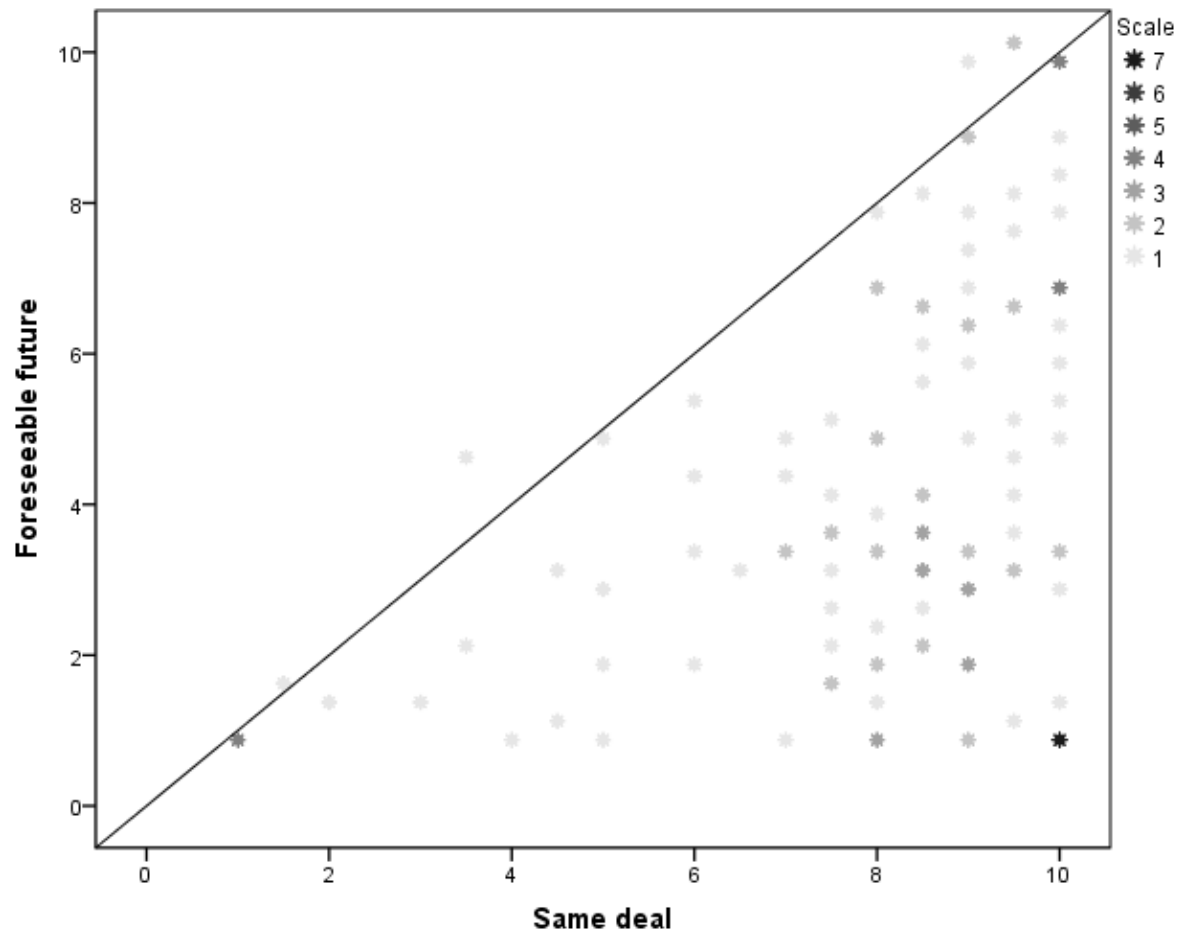


Table 2

Same deal			Full price			Foreseeable future		
Value	Percent	Cum. Percent	Value	Percent	Cum. Percent	Value	Percent	Cum. Percent
1,0	3,2	3,2	1,0	10,3	10,3	1,0	16,7	16,7
1,5	,8	4,0	1,5	4,0	14,3	1,5	5,6	22,2
2,0	,8	4,8	2,0	4,0	18,3	2,0	8,7	31,0
2,5	,0	4,8	2,5	3,2	21,4	2,5	2,4	33,3
3,0	,8	5,6	3,0	12,7	34,1	3,0	10,3	43,7
3,5	1,6	7,1	3,5	6,3	40,5	3,5	12,7	56,3
4,0	,8	7,9	4,0	9,5	50,0	4,0	4,0	60,3
4,5	1,6	9,5	4,5	8,7	58,7	4,5	3,2	63,5
5,0	3,2	12,7	5,0	,8	59,5	5,0	6,3	69,8
6,0	3,2	15,9	5,5	3,2	62,7	5,5	2,4	72,2
6,5	,8	16,7	6,0	5,6	68,3	6,0	2,4	74,6
7,0	4,0	20,6	6,5	3,2	71,4	6,5	5,6	80,2
7,5	7,9	28,6	7,0	6,3	77,8	7,0	5,6	85,7
8,0	11,9	40,5	7,5	2,4	80,2	7,5	1,6	87,3
8,5	12,7	53,2	8,0	5,6	85,7	8,0	4,0	91,3
9,0	15,9	69,0	8,5	3,2	88,9	8,5	,8	92,1
9,5	10,3	79,4	9,0	4,0	92,9	9,0	2,4	94,4
10,0	20,6	100,0	10,0	7,1	100,0	10,0	5,6	100,0

Table 3

Mean	
Age	26,7

Notes: Total samples 126.

Table 4

	Male	Female
Gender (%)	52,7	47,3

Notes: Total samples 126.

Table 5

	Groupon	Letsdeal	Gruppi	Other
Websites the respondents used (%)	60,3	22,2	15,9	1,6

Notes: Total samples 126.

Table 6

	Correlation	Significance level (1-tailed)
Desperate companies use it¹	-0,17*	,024
Lower perceived quality²	-,044	,313
Hard to make an appointment³	,095	,145

Notes: Total samples 126. Spearman's correlation (statement correlated to foreseeable future)

*Denotes significance at a 5 % level.

¹ Companies that use daily discount sites are desperate and unable to get customers in other ways

² The quality of the service is worse just because I buy it at a discount

³ It is difficult to quickly find a good time to use the deal before it expires

Appendix 2 - The main survey (in Swedish)

Q1

☐

Har du någonsin köpt en deal på en rabattsajt? (Groupon, Let's Deal, Gruppi eller liknande)

☐ Ja
☐ Nej

☒

If Nej Is Selected, Then Skip To End of Survey

Skip Logic

×

Q6

☐

Vad för typ av deal utnyttjade du senast?

☐ Sport & Fritid (Gym, Träning, Laserdome, Gocart, Luftballong, etc.)
☐ Restaurang & Café
☐ Skönhet & Hälsa (Frisör, Massage, Spa, Tandläkare etc.)
☐ Övrigt

☒

Q24

☐

Var köpte du dealen?

☐ Groupon / MyCityDeal
☐ Let's Deal
☐ Gruppi
☐ Donedeal
☐ Buytogether
☐ Yourdeal
☐ Annan sida

☒

Q9 ☐ *Vänligen besvara nedanstående frågor (1=Mycket osannolikt, 10=Mycket sannolikt)*

☐ *

Q8 ☐ Skulle du kunna tänka dig att köpa exakt samma deal igen?

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

☐ *

Q10 ☐ Skulle du kunna tänka dig att gå tillbaka till samma ställe och betala fullt pris för samma tjänst?

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

☐ *

Q11 ☐ Tror du att du kommer gå tillbaka till samma ställe och betala fullt pris för samma tjänst inom en överskådlig framtid?

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

☐ *

Q31 ☐ Erbjuder stället egna rabatter? (Student- eller pensionärsrabatt etc.)

☐ Ja

☐ Nej

☐ Vet ej

☐ *

Q40 ☐ *Fundera på tjänsten du senast utnyttjade och besvara nedanstående påståenden (1=Håller inte alls med, 10=Håller helt med)*

☐ *

Q14 ☐ Priset är en anledning till att jag inte vill betala fullt pris för tjänsten

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

☐ *

Q16 ☐ Kvaliteten är en anledning till att jag inte vill betala fullt pris för tjänsten

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

☐ *

Q18 ☐ Läget är en anledning till att jag inte vill betala fullt pris för tjänsten

1	2	3	4	5	6	7	8	9	10
<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

☐ *

<p>Q19 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Servicesen är en anledning till att jag inte vill betala fullt pris för tjänsten</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q25 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Jag kan tänka mig att till rabatterat pris köpa samma tjänst igen från samma leverantör</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q27 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Jag kan tänka mig att till fullt pris köpa samma tjänst från samma leverantör</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q28 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Jag kommer att köpa samma tjänst från samma leverantör till fullt pris inom en överskådlig framtid</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q37 <input type="checkbox"/></p>	<p><i>Hur väl stämmer nedanstående påståenden överrens med dina generella åsikter om rabattsajter? (1= Håller inte alls med, 10=Håller helt med)</i></p>																				
<p>Q33 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Bolag som säljer sina tjänster via rabattsajter använder sig av en smart, modern och effektiv marknadsföringsmetod</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q34 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Bolag som säljer sina tjänster via rabattsajter är desperata och har svårt att få tag på kunder på annat sätt</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q35 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Kvaliteten på tjänsten är sämre bara för att jag köper den till rabatterat pris</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q36 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Jag känner mig mer trygg med att köpa en deal om jag ser att många andra redan köpt den</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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<p>Q39 <input type="checkbox"/></p> <p><input type="checkbox"/> *</p>	<p>Det är svårt att snabbt hitta en bra tid att utnyttja dealen innan den löper ut</p> <table border="0"> <tr> <td>1</td><td>2</td><td>3</td><td>4</td><td>5</td><td>6</td><td>7</td><td>8</td><td>9</td><td>10</td> </tr> <tr> <td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td><td><input type="radio"/></td> </tr> </table>	1	2	3	4	5	6	7	8	9	10	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
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Q22 ☐ Jag är

☐ Man

☐ Kvinna

Q23 ☐ Ange ålder

Q38 ☐ Ange e-postadress om du vill vara med i utlottningen av biobiljetter

Appendix 3 - The second survey (in Swedish)

Q3 ☐ Föreställ dig att du köpt en deal för 200kr, normalpris för tjänsten är 500kr (dvs. 60% rabatt).

Skulle du kunna tänka dig att gå tillbaka till samma ställe och betala fullt pris, 500 kr, för samma tjänst förutsatt att du var nöjd med dealen?

1 = Aldrig! Absolut! 10 =

1 2 3 4 5 6 7 8 9 10

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Q4 ☐ Föreställ dig samma situation, men att du nu är student och stället erbjuder en studentrabatt på 25% för att uppmuntra dig till att komma tillbaka.

Skulle du nu kunna tänka dig att gå tillbaka till samma ställe och betala 375 kr för samma tjänst förutsatt att du var nöjd med dealen?

1 = Aldrig! Absolut! 10 =

1 2 3 4 5 6 7 8 9 10

☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐ ☐

Q5 ☐ Vår undersökning visar att trots konsumenten var nöjd med dealen så har han/hon en relativt låg intention att komma tillbaka och betala fullt pris - Varför tror du det är så?

Q6 ☐ Tror du att du själv skulle komma tillbaka och betala fullt pris? Varför, varför inte?