



New models of e-commerce on group buying example

Katarzyna Bilińska – Reformat PhD & Beata Reformat PhD
University of Economics in Katowice, Faculty of Management, Katowice, Poland.

Abstract

The paper introduces the Group Buying as a new e-commerce model that appeared in many countries under crisis determinants. Group buying, offers products and services at significantly reduced prices on condition that a minimum number of buyers will make the purchase. Group Buying also known as collective buying or social buying is a relatively new form of online selling that is rapidly growing all over the world. The purpose of this paper is to characterize the determinants of growth of that model and also to identify key success factors for group-buying platforms. In the paper the following assumption is made: the crisis factors are the main source of creating of new e-commerce models.

Keywords: group buying, group buying platforms, crisis, determinants.

1.Introduction

The idea of group buying is to recommend products or services to other people, thanks to which they can get a better discount and consequently, they can purchase a product at a much more attractive price. Services that function within the framework of group buying are different from traditional auction services or online shops in many ways. Group buying is targeted towards consumers with low individual bargaining power and allows them to aggregate, or pool, their purchase volume together, and drive quantity discounts from the merchants (K.S. Anand & R. Aron, pp. 56). The operators of group buying websites tried to aggregate disparate buyers via the Web by providing them price-based incentives for volume purchases (J. Dodge, pp.135-136;), and through this transaction mode, both customers and sellers were better off (S. T. Yuan, and Y. H. Lin.,pp.67).

Specific character of the range of products that are offered is an essential element. At the same time it determines the success of this online form of sale. This is because group buying most often offer services. Therefore they are particularly profitable for providers of services. Up to recently, their offers were limited only to several broadly defined businesses, including most often: gastronomy, tourism, cosmetics and recreation. However, this tendency has been changing because nowadays varied offers start to appear on group buying Internet pages (I.E. Erdogmus, M. Cicek, pp. 1353-1360).

Nevertheless, their low price and very high discounts that allow for remarkable savings are the most important feature characteristic of group buying. The paper is organized as follows. After the introduction, theoretical background of group buying is given. The next part of the paper gives an overview of group buying market in Poland. The third part outlines methodology used and gives sample characteristics. The fifth part presents research findings and implications for practice. In the final part, conclusions about most important theoretical and empirical findings are provided.

2.Characteristic of e-commerce models

Applying new technologies in enterprises brought crucial technical and economic changes described as a paradigm change that consists in the transition from the so-called model of mass production to the model of flexible network-based specialization, and to development of knowledge-based economy.

E-commerce, also called electronic trade, in a broad approach refers to conducting business activity, that is related to transmission and processing of data concerning the processes of purchase, sale, distribution of products and services, customer service, cooperation between enterprises and also to digital payments via public or private computer networks, including Internet [J. Zittrain, p.153-157; W. Szpringer, pp. 21]. E-commerce development is a result of progress in the sphere of new technologies and is also manifested in the emergence of new business models. Afuah and Tucci define business model as a method of enhancement and use of resources adopted by the company for the purpose of providing the customers with the offer of products and services the value of which is better than offer of competitors and it also ensures profitability for the company at the same time [A Afuah., C. L. Tucci, pp.20].

There are various models of trade within e-commerce. The most popular among them include: Internet auctions, advertising services, online shops, shopping arcades, electronic markets and virtual markets. Indicated models are applied depending on a particular e-commerce sector.

Internet auctions are the first of the aforementioned models applied within e-commerce. Their role and meaning are particularly significant in using B2B solutions (*business to business*), that is in situations when companies are parties to a specific commercial transactions. Basic Internet auctions include the so-called classical auctions [Kauffman R.J., Wang B., pp.252].

Advertising services, that constitute an important supplement for other solutions, are the second model of e-commerce. Services of this type are a kind of electronic boards the access to which is provided to those who make purchases (both companies and private people) via Internet. Every sector of electronic trading contains advertising services, and the procedures of registration of advertisers and functioning of particular advertising services are less formalised in case of C2C2 and C2B2 than in B2C.

Internet shops are the third model of electronic trading. In the literature of the subject they are defined as “services that enable to browse, to select and to make a purchase (M. Felda, pp. 46). The selection and range of sold offer is usually the criterion that allows for differentiation of individual Internet shops. **Shopping arcades** are another model in the group of e-commerce models. Generally, they are considered to be popular places in which the offers of many online shops are aggregated [Kauffman R.J., Wang B., pp.259].

B2B virtual electronic markets are another model within e-commerce trading. They are places of exchange of goods in the Internet in which selling and buying entities meet. And here, both parties to transaction are companies. This is what specific character of this model consists in, and the English abbreviation B2B (*Business to Business*) was adopted as a description of relationships between companies established through the Internet and also other electronic systems of information exchange. Therefore making transactions via electronic media is a common feature of all relationships that take place between companies and are defined as B2B.

To sum up we should state that analysed models that occur within electronic trading in Poland are still not as popular as they are in the countries of developed market economy. However, taking into consideration functionality and significance of indicated models for development of electronic trade, we can suppose that popularity of some models, especially of B2A and C2A is going to grow together with popularisation of electronic forms of business in retail trade. And while referring to group buying we can state that it is a typical B2C model in which the platform of group buying becomes an important agent that allows for making transactions.

Appropriately selected business model in the network is at present one of the most important determinants of the company success. In literature we can also find Four Types of Dynamic Pricing Models for Internet Marketplaces [R.J. Kauffman, B. Wang, pp.3].

1. Traditional auctions apply long-standing concepts associated with real world auctions. These include: the single -item open-outcry ascending-price English auction; the single-item open-outcry descending-price Dutch auctions; the single -item first-price sealed-bid auction; the single item second-price sealed-bid Vickrey auction, the multiple-item, open-outcry call market; and the open- and closed-bid, double auctions, in which both buyers and sellers simultaneously update their bids and offers.

2. Non-traditional auctions apply variations on the auction approaches mentioned above. Examples include: reverse auctions, in which buyers either state an interest in purchasing a sale item or a bundle of items, and sellers indicate their offers; 3-D auctions, in which price-quantity is supplemented by utility reflecting willingness-to-trade; among others.

3. Price-reduction models enable buyers to obtain lower prices, but only based on a preannounced time schedule for price drops from a higher starting price. It operates without consideration given to the number of participants in the marketplace. It is similar to Dutch auction.

4. Group-buying models enable buyers to obtain lower prices, as more people indicate a willingness to buy from the Internet-based seller’s Web site. There are two varieties, involving group-buying with a fixed time period for completion of an auction, and group-buying with a fixed price that is achieved only when enough buyers participate.

3.Group buying model, origins, characteristics

Group buying business model functions in such a way that subscribers of group buying web sites make use of discount offers reaching them online, making payments and waiting until a determined minimum number of people sign up for the same offer. Then the transaction is confirmed and the voucher is sent to the e-mail address. Thanks to this model of cooperation, shops, restaurants and other entrepreneurs that offer their products and services on web pages of various group buying services are obliged to reduce the price significantly, while getting immediate access to a new market segment that is to new customers. According to PBI/Megapanel Gemius report, two group buying services exceed the threshold of 1 million users per month (Groupon.pl and Citeam.pl). December 2012 was for e-commerce sector, and thus group buying, one of the most important months in the year. In the results of December, Gruper reported an impressive increase. The growth in the number of their customers by 63% is definitely the best result that let this service took 2nd place in the sector. The study conducted among several hundred Internet shops by CubeRoot entitled „eCommerce Index” showed that Polish e-Commerce market grew in 2011 by over 32% and its value amounted to around PLN 18 billion. [Kucia M., p. 133]. Similar results are shown by Forrester Research analyses entitled “Centre for Retail Research”. It indicates that Poland is in the first position in Europe with respect to the speed of growth in e-commerce market. It is estimated that in Europe there are about 600 companies operating in the sphere of group selling and new entities are established again and again. On the other hand, Yipit.com service informed that in 2011 as many as 170 services terminated their activity. The dynamics of growth in sale conducted with the use of group buying is very high, already in 2011 the range of group buying services reached 31% and the total number of their users amounted to almost PLN 6 million.

In Poland 82% Internet users have heard about the existence of group buying services. Not only the awareness of the phenomenon, but also knowledge of particular group buying services is growing. In December 2010 half of the Internet users who have heard about group buying could not name any service known to them. In 2011, according to results of studies conducted by PBI, the number decreased to 15% and in 2012, as it is shown by Millward Brown SMG/KRC report for Citeam.pl, only 1% Internet users did not know any group buying services. Table 1 shows most popular e-commerce web pages and the number of their users.

Tab. 1-Top 20 most popular e-commerce web pages in Poland (February 2013)

No.	Web page name	Number of users
1.	Allegro.pl – E-commerce group	10 842 351
2.	Nokaut.pl group	2 539 272
3.	Groupon group	2 531 361
4.	Okazje.info group	2 100 810
5.	Skapiec.pl	1 610 672
6.	Euro.com.pl	1 513 097
7.	Gruper.pl	1 414 077
8.	Empik Media Fashion – E-commerce group	1 360 304
9.	BonPrix.pl	1 308 013
10.	eBay.pl group	1 179 460
11.	Doz.pl	1 153 689
12.	Merlin.pl	1 094 744
13.	Aukcjoner.pl	974 116
14.	Tchibo.pl	966 228
15.	Zalando.pl	950 016
16.	Wirtualna Polska – Orange – E-commerce group	838 399
17.	Citeam.pl	832 212
18.	Amazon group	854 292
19.	ArchiwumAllegro.pl	747 391
20.	Grupa Spolecznosci.pl – E-commerce	712 966

Source: <http://www.ekomercyjnie.pl/najpopularniejsze-witryny-e-commerce-w-polsce-luty-2013> (access of 20.06.2013).

As it results from the table, group buying services are among buying web pages that are most willingly used by Internet users. It ought to be remarked that Citeam group buying service also functions within Grupa Allegro-Ecommerce that is located in the first position. Currently group buying portals in Poland compete with each other mainly through implementation of innovative solutions and entering new business areas. The first three of them have real chances for further development because they have sufficient financial, personal and technological resources to offer a new quality of services to customers and consumers (B. Reformat, pp. 17-18). Developmental potential of group buying market notices more and more entities that start their own services. Certainly Allegro and Facebook, that set up Facebook Places, as well as Google that made offers within Google offers accessible to Internet users, belong to them (Gelles, D.pp.18; E. Pöyry, Parvinen, P. and T. Malmivaara, pp. 113). The first group buying service “Gruper” occurred in Poland in February 2010. A little later “Citydeal” started its activity but it was taken over by “Groupon”. With their entry on Polish market they gave rise to the whole sector related to offering group buying to consumers. “Gruper” became the largest competitor for “Groupon” in Poland. “Groupon” and “Gruper” turned out to be the most popular buying service in Poland among the respondents.

To sum up the aforementioned observations we can state that on the present market of group buying services a lot of changes are occurring all the time. They concern both the entities operating on it, as well as the users of group buying services themselves.

While analysing development of group buying market, apart from aforementioned phenomena, we can observe specific qualitative changes related to functioning of particular group buying services within its framework. This mainly concerns extending existing offer of these services. While extending the scope of activity, new offers for larger groups of cities are occurring. Each service, that is just entering and developing on the market, has to start with presenting its offer to several, usually the largest agglomerations. Extending such an offer also concerns the type of services that are offered at promotional price.

Creation of the so-called aggregates that let customers browse particular offers available on various group buying portals is the second business model associated with group buying [“China Group-Purchasing Market Overview. Summer 2011” www.china-online-marketing.com/news/e-commerce/china%E2%80%99s-group-purchasing-market-some-5472-websites-compete-fiercely-for-business/, 28.03.2012.].

It results from the latest PBI data that women make 59% of population using group buying services. It turns out that nearly 60% of them are 25 to 34 years old. [The survey conducted by BPI on a group of 502 Internet users in December 2010]. In general, the Internet users from the age group 25 – 34 are the greatest fans of buying at “half-price” and they constitute 30% of all users of group buying services. People who are 35 – 44 years old also make a big group of users of these services (17%).

It also results from the survey that wealthy people who are familiar with online shopping, while having credit cards and being ready to spend money on further purchases, are mostly the customers of group buying services. These people are usually inhabitants of big cities in Poland. Every fourth person registered in group buying services visits these pages every day, and 42% of them make the decision of using their offer. Customers of group buying services often “surf” the Net. According to data of Citeam.pl service and Megapanel studies, even every ninth user of web pages with “deals” is an active Internet user that looks at virtual world every day or almost every day [M.Jaciow, R. Wolny, Stolecka-Makowska A., pp. 102]. Group buying offers profits not only to individual consumers. Obviously, buying an offer at a very low price may cause a suspicion of making an attempt to “cheat” the customers. However, there are two major reasons for which the enterprises present in group buying services may not let themselves lower the quality of services for customers with discount vouchers. They are:

1. fear of a negative assessment in the network – hundreds of dissatisfied customers potentially express hundreds of opinions that may affect the company image and effectively discourage other people from making use of services of unfair restaurant, club or beauty parlour,
2. creation of database of regular customers – thanks to lower prices, the company that offers a discount voucher in group buying wants to attract new customers who, while being satisfied with the quality of service, could not only return, but also recommend the company to friends or family.

It ought to be added that for many enterprises it is not only the chance to sell its offer but also a promotion of a particular product or service. This allows to win a regular customer that, while being satisfied with the purchase, will feel attached to the company and in the future they will make purchases in this company at regular prices [K. Bilińska-Reformat, B. Reformat, pp. 225-232].

From the point of view of an enterprise, group buying constitutes an alternative form of advertising against standard activities undertaken for the purpose of winning new customers. Web pages of group buying services are visited every day by thousands of users.

4. Research methodology

4.1 The purpose, methods, sampling

The major purpose of the survey of group buying services customers was to define the factors that shape positive relationships of customers with group buying services and to assess the significance of particular determinants for the establishment of positive relations between the consumer and the group buying service. It is observed, that each organisation should be goal-seeking, learning entities where investments and management policies create unique resources such as brand, consumer relationship and distribution partnerships [Daniel E., Peppard J., Ward J, pp. 1-11].

The major purpose of consumer studies was to identify determinants of development of group buying models. Identification of groups of factors was aimed to provide grounds for formation of the model of relationships between the customer and the enterprise from the point of view of the consumer. In relation to this, primary studies were performed in the form of Internet poll, in which the tool of a questionnaire composed of 8 fundamental and 7 metric questions was applied (questions about sex, age, education, income, assessment of financial situation, place of residence and the number of people in a household) . While constructing the research tool, initially, we adopted the assumptions resulting from the study of literature, according to which the relationship between the Internet users (customers) and buying services is determined and, at the same time, characterised by 4 major groups of factors, the so-called dimensions of relationships: 1. Involvement of the Internet user in contacts with buying service, (CA), 2. Involvement of the service in contacts with the Internet user, (enterprise activity – EA), 3. Customer's satisfaction with the service offer (S), 4. Internet user's trust in service (T). [Deng, Lu, Wei, & Zhang, pp. 189; Semeijn, Van Riel, Van Birgelen, & Streukens, pp.67-82].

According to procedures of Likert's scale construction, a list of expressions that reflect particular aspects / determinants of relationships was prepared. Also, we took care to balance the scale through negative formulation of half of the opinions. The set of nominal scales was supplemented with seven-degree ordinal scale of the format of responses from 1, I totally disagree, to 7, I totally agree. Apart from these scales that were fundamental for the study, the questionnaire included questions referring to specific manifestations of enterprise activity that aimed at establishment of relationships with customers on the one hand, and on the other hand, to effects of these activities in the form of specific attitudes and behaviours of customers. The study of the aforementioned issues allowed the Authors of the paper to recognise major determinants that influence the use of particular buying services by Internet users. The study was performed in Poland on a sample of 500 respondents on the turn of March and May 2012. Object and amount selection of sample was applied. The qualities (amounts) adopted in the study included: age, sex, education, household size and the place of residence.

The selection of the test method and sample structure, as well as the layout of the questions in the questionnaire were intended to formulate the assumption that worldwide crisis is a fundamental determinant of development of group buying.

4.2 Research results

The respondents were asked what buying service they would have chosen if they had had to limit themselves to only one of them. It was assumed that responses to these questions would allow deciding which services the respondents felt most related to. Most people declaring that they would have bought in a particular service if they had been to choose only one of them were found among Groupon service customers. All results illustrating responses to the aforementioned question are included in table 2.

Table 2. Buying services of strong relationships with Internet users (N=500)

Name of buying service	Rate of customers declaring the will of further use of the buying service (in %)
Groupon	65
Grupper	60
My deal	53
Citeam	46
Fastdeal.pl	8,7
Cuppon.pl	7,1
Okazik.pl	21,6
Getdealtoday	3.4

Source: Own case study (N=500)

The analysis of the answers to the question about the qualities determining the opinion that the service seems to be friendly to the respondents and so they want to become its regular customer was the last stage of the study. For this purpose a list of 24 features characterising a friendly buying service was used. The respondents assessed them on the scale from 1 to 5 where 1 means the least important. These qualities, together with calculated average notes are presented in table 3.

Table 3. List of 24 features of „friendly” buying services and their average notes

Symbol	Feature of „friendly” group buying service	Average note
W1	Wide offer (both services as well as material products)	4,485
W2	Easy access to service	4,605
W3	Fast settlement of a complaint	3,790
W4	Simplicity to make the on-line payment	4,189
W5	Safe purchase guarantee	4,017
W6	Clear information about the offer	3,991
W7	High level of price discounts on offers	4,157
W8	Frequent promotions	4,108
W9	Availability of brand goods	4,266
W10	Easy access to a service consultant	3,155
W11	Possibility to buy 24 hours a day	3,946
W12	No “technical” breaks	3,132
W13	Certainty of positive settlement of a complaint	4,561
W14	Possibility to „earn” on promoting the service (buying vouchers for recommending the offer)	3,371
W15	Competent service employees	3,113
W16	Special offers (very high discounts on offer)	3,379
W17	Good opinions of other Internet users about the service	3,470
W18	No payment for joining the service	3,199
W19	Possibility to compare the offers according to selected criterion for example price, amount of discount , assortment category	3,418
W20	Large selection of favourite brands	4,304
W21	Purchase convenience	3,625
W22	Speed of obtaining information about the service offer	3,235
W23	No spatial limitations	3,045
W24	Benefits offered	3,195

Source: Own case study

The analysis of major components was applied again in order to identify determinants that make the Internet users consider a particular service friendly. Kaiser-Mayer-Olkin and Bartlett’s test were the following: KMO measure of sampling adequacy = 0.916, Bartlett’s globosity test = 9086,075, significance $p = 0.000$, which, at probability very close to one, allows to reject the hypothesis about sameness of correlation matrix. The results of factor analysis are shown in table 4. Four groups of factors are distinguished there.

Table 4. Factors determining relationships between a buying service and its customers and assessment of their importance.

Symbol of feature	Determinants of positive relationships between a buying service and a customer	Factor	Mean note	Mean note in group
W1	Broad service offer	Range and qualities of the offer of buying services	4,485	4,0928
W6	Clear information about the offer		3,991	
W9	Availability of brand goods		4,266	
W19	Possibility to compare the offers according to selected criterion for example price, amount of discount , assortment category, etc.		3,418	
W20	Large selection of favourite brands		4,304	

Symbol of feature	Determinants of positive relationships between a buying service and a customer	Factor	Mean note	Mean note in group
W5	Safe purchase guarantee	Purchase safety	4,017	4,016
W13	Certainty of positive settlement of a complaint		4,561	
W 17	Good opinions of other Internet users about the service		3,470	
W2	Easy access to service	Purchase convenience	4,605	3,6514
W3	Fast settlement of a complaint		3,790	
W4	Simplicity to make the on line payment		4,189	
W10	Easy access to a service consultant		3,155	
W11	Possibility to buy 24 hours a day		3,946	
W 12	No “technical” breaks		3,132	
W15	Competent service employees		3,113	
W21	Purchase convenience		4,304	
W22	Speed of obtaining information about the service offer		3,235	
W 23	No spatial limitations		3,045	
W7	High level of price discounts on offers		Price conditions	
W8	Frequent promotions	4,108		
W14	Possibility to „earn” on promoting the service (buying vouchers for recommending the offer)	3,371		
W16	Special offers	3,379		
W18	No payment for joining the service	3,199		
W24	Benefits offered	3,195		

Source: Own study

As it is seen in the table, the first factor is associated with the range and characteristic features of offers of a particular buying service. Therefore we can identify it with the quality of offered services, clarity of information about these services, kinds of offered brands and availability of information about profits resulting from buying an offer (for example how much we can save thanks to the offer). As it is shown by mean notes, according to respondents, it is the most important determinant establishing positive relationships with a buying service. It results that buying services should undertake activities aiming at expansion of their offer and at clarity, including timeliness of information presented on service web page.

Another factor is associated with safety of purchase in the service. It is the factor that from the point of view of customers is almost as important as the service offer. Internet users are interested in guarantee of safe purchase, ability to make possible complaints and they are guided by opinions about group services presented by other users. Therefore, the suggestion about the necessity of appropriate selection of companies that cooperate with the service might be an important conclusion here.

Purchase convenience is the third factor determining establishment of positive relationships with buying service. It includes such components as: the possibility of unlimited access to service, simplicity of entering the service web page and no technical breaks. The suggestion related to development of information technology solutions in the way that they might minimise inconveniences associated with the access to service is the conclusion for group services. For example, we can recommend placing advertisements of these services on pages visited by the target group (for example advertisements on the Facebook, Onet, etc.). This will ensure easier access to the service and in this way this will increase the comfort for the Internet user.

The factor associated with pricing conditions is the least important among four analysed determinants. Customers of buying services pay attention to the level of offered discounts and promotional activities of services most. Such factors as no payments for joining the service, obtaining additional material benefits for offer recommendation are less important. So the fact that material benefits are not the most important is the conclusion for the services.

5. Conclusions

Without any doubts economic crisis was a very important global factor influencing development of innovative business models. On 15th September 2008 the American bank Lehman Brothers declared spectacular bankruptcy. This event is considered to be the beginning of financial crisis that has been lasting until now and that significantly influenced

consumers' behaviours all over the world [P.Dobrzański, *Transmisja kryzysu amerykańskiego na gospodarki europejskie*, [Transmission of American Crisis on European Economies, in: www.bibliotekacyfrowa.pl/Content/35547/009.pdf]

1. Demand for simplicity – being afraid of the risk, the consumers look for simple, valuable offers. Their choice is caused by the fear of risk,
2. Demand for conducting business activity by companies in an ethical way – in the period of crisis the consumers expect “punishing” of the guilty companies that operate in an unethical way. This tendency is less observed in periods of prosperity,
3. Saving – in the period of crisis, saving becomes fashionable and in good taste. It ought to be added that research conducted by aforementioned authors in 2009 shows customers' reluctance to excessive consumption,
4. Tendency to “jump” from one offer to another – in the period of crisis saving becomes so much fashionable that customers are less and less loyal towards brands (also companies) they have purchased before. We can observe that development of information technologies, including various forms of online sale, is favourable for described tendency [R.Wolny, pp.46-57].

Referring to the last described tendency related to consumers' behaviours during crisis, we can state that group buying is a response to consumers' needs, particularly in the context of offering them a possibility to save. Group buying also enables to “be fashionable” in the period of crisis when sensible buying is demanded. On the other hand they constitute a valuable guideline for enterprises that want to obtain access to a broad range of customers.

In the face of global “belt-tightening” the idea of “smart shopping” that is clever buying which also involves using discount vouchers, is also gaining in popularity. In Poland involvement and aware, the so-called prosumer approach to buying, becomes more and more popular. Polish people, particularly because of facing financial crisis, also notice the latent potential of group buying that enables them to buy easily and fast everyday life commodities as well as goods and services that usually they could not have afforded without the discount.

Seeking causes of the development of the analysed trend we can notice that it occurred under the influence of the worldwide economic crisis of 2008-2009, that is still causing the mood of anxiety about the future, as the effect of seeking the way to limit expenditures without radical lowering the current level of consumption. In the reaction to this phenomenon a part of consumers started spending money more economically. Considering modern technology, especially the Internet, this is really helpful for them.

Smart Shoppers are buyers who are focused on finding some good quality products for the best price. They do not purchase everything “what is the cheapest, but they search for some valuable items which are offered at good price and, at the same time, they question the ethics of products and brands” [Ch. Arnold, pp. 14-15].

Smart shopping means that, not buying cheaply is the most important, but buying well. and so this is the simple idea of relying on investing their own time in the thorough preparation for the shopping.

Implications and directions for future research

Summing up, we have to add that the subject area undertaken in this case study is only an introduction to a broader discussion on studies related to the market of group buying that has been rapidly growing in Poland. The number of people who make use of the offer of group buying has been growing. Similarly, the number of services that offer the possibility of cheap buying is increasing. This brings increase in competition between individual buying services. Therefore, knowing what factors influence the choice of a particular group service should allow for establishment of competitive marketing strategy for those services.

Considering the fact that group buying occurred directly after economic crisis had started, we can state that it is a response to customers' demands. It results from characteristics of group buying users that they are aware and wealthy people. These qualities let us propose the thesis that saving is actually becoming fashionable. Sensible spending of resources becomes a “solution” for economic crisis. We can also state that for companies that have problems with the sale of their offers, this form or reaching a broad range of customers is an important alternative. Growing knowledge of consumers concerning price offers is caused by the increase in the number of various types of price comparison engines and generators. This contributes to the growth in competition between companies. More and more often they have to make decisions on significant price reductions for their offers because this is what the market demands. Among portals that offer group buying there occur offers concerning only brand products. Marakfoni.pl portal that offers products of well-known brands can be indicated as the example here. Financial aspects and then location of the offer are the most important among factors that determine a purchase of a particular offer.

The result of this study supports the thesis regarding the directional linkages among 4 dimensions of relations between group-buying services and their customers. From academic point of view, the research examines some relevant questions in the field of knowledge considered. Among them it is important to point out the role of involvement of the customer in contacts with the group buying service, involvement of a group buying service in contacts with the customer, satisfaction of the consumer with offers of the group buying service and consumer's trust in company.

From managerial perspective, presented study brings several contributions to marketing professionals dealing with group buying services. We can state that, investment in increasing consumer's trust and commitment will strengthen relationship between customers and group buying services.

We should remember that this research has some limitations, which can be opportunities for future research. The key limitation of this study is the choice of group buying sector in which probably the changes take place very rapidly. Other determinants (cognitive or affective) or moderating variables could influence this judgment of group buying services.

Because of the limited range of the case study, the aforementioned issues have only been indicated and discussed

against the background of studies that have been performed by the Authors of the paper. More profound analysis of the problems can be considered a scientific challenge for the future for the Authors of the paper.

References

1. Afuah, A. & C. L. Tucci. (2003). *Internet Business Models and Strategies*. Kraków: Oficyna Ekonomiczna publishing house
2. Anand. K. S. & Aron, R. (2003). "Group Buying on the Web: A Comparison of Price- Discovery Mechanisms", *Management Science*, 49 (11),
3. Arnold. Ch. (2009). *Ethical Marketing and the New Consumer*. Chichester (UK): Wiley
4. Bilińska-Reformat, K. & Reformat, B. (2013 February). *Relationship determinants on group-buying markets – polish case*. Paper presented at: 12th International Conference Marketing Trends, held at the ESCP Europe at Paris and Università Ca' Foscari di Venezia. Retrieved from: CD-ROM 978-2-9532811-3-2
5. Bilińska-Reformat, K.& Reformat, B. (2011 December). *Group Buying as a Source of Competitive Advantage of Polish Small and Medium-Sized Enterprises*. Paper presented at: 11th Annual Conference on Marketing and Business Strategies for Central & Eastern Europe, held at DePaul University Chicago, Reiner Springer the Vienna. Retrieved from: Proceedings by: Petr Chadraba, Wirtschaftsuniversitaet Wiena,
6. Daniel, E., Peppard, J., Ward, J. (2007). Managing for the realization of business benefits from IT investments. *MIS Quarterly Executive*. 6 (1) ,
7. Dodge, J. (2000). Strength in numbers? A look at what group-buying sites have to offer consumers in search of computer gear. *Inc. Magazine*, 8 (12),
8. Erdogmus, C. & Çiçek, M. (2012). The Impact of Social Media Marketing on Brand Loyalty, *Procedia - Social and Behavioural Sciences*,
9. Gelles, D. (2010). Facebook launches instant smartphone coupons for shoppers. *Financial Times*. London (UK), 4 (Nov)
10. Jaciow, M., Wolny, R., Stolecka-Makowska, A. (2013). *E- Consumer in Europe*. Gliwice: Helion
11. Kauffman, R.J.& Wang, B. (2001 March). *Bid Together, Buy Together: On the Efficacy of group-buying Business Models In Internet - based Selling, The (R)evolution Goes Mobile*. 5th Annual University of Minnesota Electronic Commerce Conference. Retrieved from: Carlson School of Management, University of Minnesota, Minneapolis
12. Kucia, M. (2013). *E-Consumers Attitudes Towards Collective Buying Research Results*, "La Societe de L'Information. Perspective Europeenne et Globale. Les Usages et les Risiques d'Internet pour les Citoyens et les Consommateurs". Katowice: University of Economics, No 151,
13. Pöyry, E. Parvinen, P. & Malmivaara, T.(2013). Can we get from liking to buying? Behavioural differences in hedonic and utilitarian Facebook usage. *Electronic Commerce Research and Applications*, (in Press).
14. Reformat, B. (2012). Zakupy grupowe jako nowy obszar badań marketingowych [Group Buying as a New Sphere of Marketing Research], *Ekonomika i Organizacja Przedsiębiorstw [Economics and Organisation of Enterprises]*, nr 10 (12).
15. Szpringer, W. (2012). *Inowacyjne modele e-biznesu [Innovative e-Business Models]*, Warszawa, Difin
16. Wolny, R. (2006). *Młody konsument jako podmiot rynku [Young Consumer as Market Entity]*, in: *Ekonomia. Kierunki badań [Economy. Tendencies of Research]*, CBiE, AE Katowice [University of Economics in Katowice].
17. Yuan, S. T. & Lin., Y. H. (2004). Credit Based Group Negotiation for Aggregate Sell/Buy in E-market. *Electronic Commerce Research and Application*. no. 3(1), p. 67
18. Zittrain, J. (2008) . *The Future of the Internet—And How to Stop It*. Yale University Press New Haven & London
19. China Group-Purchasing Market Overview. Summer 2011" www.china-online-marketing.com/news/e-commerce/china%E2%80%99s-group-purchasing-market-some-5472-websites-compete-fiercely-for-business
20. www.bibliotekacyfrowa.pl/Content/35547/009.pdf