

Group promise case study

Business



How has an understanding of consumer behavior helped Group grow from 400 subscribers in Chicago in 2008 to 60 Million subscribers in 40 Countries today? Coupon figured out that people were looking for simplicity in purchasing deals. They determined what people wanted and that they would purchase these items at a discounted price. They brought these deals to people's hometowns and made it easy to try new things at a discounted price.

Their concept was genius the model was a win for everyone.

Consumers received discounts, merchants obtained new customers without the cost of advertising and Group generated revenue at the same time creating value in the marketplace. Question # 2 What is Coupon's Promise? Any customer can return a Coupon no questions asked even if they used it. How does the Coupon Promise affect a consumer's perceived risk and cognitive dissonance? The guarantee gives the purchaser peace of mind. The purchaser knows that if they are unsatisfied in any way they can just return the item for a refund even if they have used it and are unhappy with the purchase.

This allows the purchaser to make the purchase without the fear that they will be wasting their money if they are unhappy. Question # 3 Describe the five-stage purchase decision process for a typical Coupon user: 1. problem recognition - When the consumer wants or needs something or has a problem that requires a purchase. 2. information search - when the consumer shops for the desired product or service alternative evaluation - a consumer arrives at a final set of product choices and then must evaluate them based

on individual need. Reaches decision - the consumer has considered all the options and has come to a decision. Evaluation - the consumer has made the purchase and must now evaluate if it was the correct decision.

**The Five Stages of the Consumer Buying Process, By Carl Hose, oho Contributor, [http://www. Oho. Com/info_7896069_five-stages- consumer-buying-process](http://www.Oho.Com/info_7896069_five-stages-consumer-buying-process). HTML web. Question # 4 What are the physiological and sociological influences on the Group consumer purchase decision process? The recession has increased the importance of heartiness therefore people are becoming more conscious of spending and also on saving.

People are looking for deals and ways to save money.

Group can greatly influence purchasing decision because it gives them the opportunity to do something they enjoy but at the same time be conscious of saving money. Question # 5 What challenges does Group face in the future? ' The first challenge Group is facing is customers purchasing coupons but not using them. The fear is that this will leave a bad taste in their mouth and they will cease to SE Group or recommend it in the future..

Also some customers use the coupons and for whatever reason they don't use Group again. The second challenge Group is facing is managing their growth.

The company has expanded into Europe, Latin America, Asia and Russia. They have accomplished this by buying out other local daily deal services. The third and final challenge Group is facing is an extraordinary level of

competition. Part of the problem is the technology that they use is not very sophisticated and easy to copy. Page 1