

HOW CAN WE USE THE BENEFITS OF PRIVATE SHOPPING AND GROUP ONLINE BUYING IN E-GOVERNMENT?

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ABSTRACT

Marketing tools are rapidly increasing with the high usage rate of internet and the social media channels and mobile applications. Individuals, companies and governments are widely using these platforms. Especially, electronic commerce takes the share from this rise by using these platforms for increasing the interactivity between partners and the customers. Besides, private shopping or group online buying (Groupon) concepts are more popular in these days as the reason of cheap advertising and promotion opportunities even as creating uniqueness for the individuals, sharing the new product information and increasing the interactivity by the high discount rates supports this popularity. While examining the electronic government and mobile government, we face that these rapid changes suffers as the reason of poor promotion efforts and low level usage rates. In this research, private shopping and group online concepts will be examined extensionally with applications and also, suggestions will be done for harvesting the benefits of private shopping for electronic and mobile governmental applications.

Keywords: Groupon; group online buying; social shopping; private shopping; e-government; mobile government.

INTRODUCTION

Individuals, companies and governments are widely using the digital world capabilities with the wave of the internet in these days. Electronic commerce is always changing its form. First, it has started between companies and suppliers, and continues between companies and customers then changed its form as between companies and finally, all the partners are connected in various platforms. Social media platforms, such as Facebook and Twitter, are also one of these platforms. Naturally, both parties are using these platforms for their marketing efforts. Enhanced data mining tools and effective segmentation results are also supporting the social media. For instance, some application software programs which have social media extension are more popular for the companies who want to build interactive communication between customers and themselves. Moreover, Web 2.0 and Web 3.0 platforms support that aim. For instance, companies are using customer data for public relation activities, promotion efforts, customer satisfaction programs with fast response time.

While companies are using the social media channels' for basic marketing efforts, companies are using "private shopping" and online group buying systems or "online group buying system" for marketing of their products. Private shopping can be defined as "a subset of online shopping or members-only shopping which is a closed loop at which only member individuals can take the advantage of deep discounts and high-end brands. Membership is free excluding; users have to be invited by another member" (Baybars & Ustundagli, 2011).

Online group buying system (Groupon) provides a win-win situation for customers and companies and can be analyzed as dual value creation philosophy of marketing (Kotler & Armstrong, 2009). Groupon was first faced in 2008 daily group buying site which mainly provides discounted price to its members in USA and the usage of the site turn in to promotion efforts of companies about their products and services. Users check the campaigns daily and in 18 month the company value had reached 1, 35 billion dollars (Arrington, 2010).

According to a research by Baybars and Ustundagli, companies can declare information related to their new products and price discounts are reason of selecting private shopping. Also, short lasting campaigns create willingness to shop on private platforms, and respondents express that they can purchase various products which other do not have (motivate them for searching to be unique) with the help of private shopping. Besides, private shoppers are found to be brand sensitive rather than price sensitive but price discounts has a positive effect on consumers attitudes for private shopping (Baybars & Ustundagli, 2011).

Moreover, there are many researches underlines the same benefits related to interactivity. For instance, according to research by Machlis and Sender underlines that online coupons help increase the rate of understanding the target consumers while supporting with high response rates, and greater likelihood of consumers redeeming online than print coupons (Machlis, 1998; Sender, 1997).

While examining the differences between online and printed coupon version, we face that the perceptions of quality, value, and purchase intentions were higher for the high price online coupon. More motivated consumers are less sensitive to the monetary sacrifice while evaluating such offers (Suri, Swaminathan, & B.Monroe, 2004).

Furthermore, there are some complains on the Groupon such as discriminatory and dishonest behavior of the service providers (Erdogmus & Cicek, 2011). So, intermediaries and companies should focus on complaints and reviews related to the products and the services.

SOCIAL SHOPPING AND GROUP ONLINE BUYING IN TURKEY

Private Shopping or Groupon are popular trends which can be defined as a new model of e-commerce that provides a new way of accessing local customers for merchants which comes with new definition called social shopping. Social shopping can be defined as promotion and advertising for utilizing internet technologies that provides opportunities for intermediaries. Social shopping can be grouped as; social shopping intermediaries (brings individuals and merchants together at discounted prices such as Groupon and Living Social), social shopping marketplaces (brings merchants and customers to connect and transact such as Google offer and give opportunities to make deals and self service as a local advertising channel) and social shopping aggregators (Aggregators utilize for seeking web pages to find good deals from social shopping sites (Lee & Lee, 2012).

If one company is succeeded with a different marketing strategy in Turkey, then in a very close time period, there will be many follower companies which use the same strategy. Groupon strategy is one of them that started in 2010 in Turkey with the company named Sehirfirsati (Sehirfirsati, 2010). Most popular ones are Markofoni, Grupanya, Limango, Sehirfirsati, Groupon, Grupfoni and Trendyol. According to Google statistics, the member number of Sehirfirsati is 900.000. And now, there are too many numbers groupon based web sites are serving in Turkey.

The research that examines the Markofoni, Limango and Trendyol with membership system, campaigns, payment types and social media parameters and summarizes the whole system by Pelenk and her friends (Pelenk, Velioglu, & Degirmencioglu, 2011).

According to the research, Markofoni has a logistics center with high capacity such as Stock capacity is 150.000 and delivery capacity for one day is 50.000. For purchasing from Markofoni, Limango and Trendyol customers should be registered or another sense, membership is needed and in the first start they give gift money check to their customers. Both sites send daily e-mails about the new campaigns and the products. In addition, if the customers are not satisfied from the product, they can send the product back without and delivery charges.

Markofoni has a Facebook connection and a blog with questionnaire support for gathering the customers' needs and problems. Also, Limango has a blog, Twitter and Rss account while having an Iphone application which is called "Limangoblu". Besides, Trendyol has a blog, Twitter and Facebook account.

Consequently, both companies use social media and related tools while using data mining techniques and they use membership system for trying to be interactive with their customers with short period campaigns by daily information content e-mails. When we examine the other e-commerce web sites, we can analyze that customers are more interested in the Groupon procurement systems with discounted prices.

There is an effective research by Lee and Lee in 2012 which describes the success factors of social shopping that companies should establish for reaching success and sustainability such as;

- Satisfy the social shopper,
- Analyze the customers' review for establishing successful marketing strategies and satisfying the customers,
- Create interactive social networking,

- Guarantee the service and product while the promotion demands are high,
- Use social shopping as advertising,
- Develop a decision model which examines the companies goals and customers 'demands,
- Set up managerial actions for updated strategy (Lee & Lee, 2012).

GROUP ONLINE BUYING AND ELECTRONIC GOVERNMENT

There are different types of e-government services such as G2B (government to business), G2C (government to citizens), G2G (government to government). However, increasing the usage rates of individuals are more important to spreading the e-government transformation success which is tied with the promotional works.

According to a research by Colak, Yalcin and Korkmaz, the ratio of e-government based applications are not more widely used between the citizens in Turkey. The research is based on the results which were done in 2012 by TTNET. According to the results, individuals primarily choose social media (%77, 8), internet surfing (54, 5), e-mail (%38), home works, e-government (%4) in order (Colak, Yalcin, & Korkmaz, 2012). This results underlines that the high social media usage rates.

In relation to a research by Saruc, various usage frequencies of e-government services are automotive taxes and information gathering (%58 never), citizenship number and identity information gathering (%17 never), electric, water and natural gas bill information and payment (%47 never), gathering information about location and phone numbers (%14 never), information gathering from municipalities (%29 never) and university web sites (%19 never). The percentage rates are collected by 5 interval scale ranging between more frequently to never use (Saruc). Result data shows that automotive tax, electric, water and natural gas bill information and payment services are low rather than the others services' usage ratios.

Companies and the individuals are using Groupon channels for their interest, especially for the promotions aims. While the huge spread in Groupon marketing, we can examine that the adoption and use of m-Government by a wide user group is proportional related to the success of educational and promotional activities (Yildirim & Panayirci, 2012). Then, we can think to use this new channel for e-government or mobile government applications as the reasons of creating the awareness of new services, products and building interaction between the individuals and government.

E-government services should build own social network platform or should produce social media applications and links to create interactivity between government and individuals in the first raw to increase the usage rates. The price discount formula can be applied to tax, bill and other payments or discounted services can be proposed for citizens who are the member of these social networks. The discounted rates are the basis motivator for the individuals, so this motivator should be used for increasing the e-government usages and also for the promotion efforts.

At the same time, private companies use social media and web pages for gathering complaints and reviews about their products and services. Partially e-government web sites are providing that support but, if the there is a group online discount based social platform exists and provides short term discount then the citizens can response in quicker times and government can collect more feedback related to that specific service.

CONCLUSION

Throughout the research, group online purchasing and e-government services are examined. In the today's world, companies are attacking to group online purchasing system after the e-commerce wave with the help of the social media. Governments are transforming their bodies to digital communication technologies with delivering their services to internet based platforms.

Groupon intermediary company numbers are increasing rapidly while e-government based services are increasing with low percentage usages in Turkey. The usage rates of e-government services are mainly based on the success of educational and promotional activities. For closing the gap in the promotional area of electronic government or mobile government, group online buying or private shopping system should be applied with private social media platform or could be tied to the existing popular social media channels such as Facebook, Twitter and related channels with considering the factors that affect the success and sustainability of the integration.

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