

CONSUMER TRENDS

Group Buying Trend is Changing How Americans, Britons and Canadians Shop

At least three-in-five respondents who have acquired a deal through group buying say they now think twice before paying full price.

[NEW YORK – Jan. 25, 2010] – Group buying is beginning to have an effect in the mindset of consumers across three countries, with people in the United States, Britain and Canada becoming more price sensitive after taking advantage of a group buying offer, a new Vision Critical poll has found.

The online survey of representative national samples in the three countries also shows that American men are searching for clothing, tools, furniture and electronics deals through group buying, while Canadian and British women use group buying to get spa, cosmetics or salon discounts.

Awareness

Groupon has effectively achieved "top-of-mind" status on this new category of group buying facilitators. About half of Americans (45%) have heard of Groupon, along with 35 per cent of Britons and 34 per cent of Canadians. Groupon has the highest level of awareness with competitors trailing far behind. Second to Groupon are WagJag in Canada (23%), EverSave in the U.S. (20%) and Groupola in Britain (9%).

About half of respondents in the three countries (USA 41%, BRI 55%, CAN 51%) had not heard of any of the group buying websites mentioned by name in the survey. In Britain, of those who hadn't heard of the sites, two thirds were over the age of 55 (62%) while roughly half of those under 55 had not heard of them either (18-34: 53%, 35-54: 51%). American and Canadian men are more likely than women to have not heard of group buying.

KEY FINDINGS

- **Majorities of those who have bought a deal from a group buying website say it has made them think twice about paying full price (USA 66%, BRI 68%, CAN 62%)**
- **Groupon holds highest awareness in the three countries (USA 45%, BRI 35%, CAN 34%)**

Full topline results are included in this release.

From January 5 to January 6, 2011 Vision Critical conducted an online survey among 1,002 Canadian adults who are Angus Reid Forum panellists, 1,011 American adults who are Springboard America panellists, and 2,010 British adults who are Springboard UK panellists. The margin of error—which measures sampling variability—is +/- 3.1% for Canada and the United States and 2.2% for Great Britain. The results have been statistically weighted according to the most current education, age, gender and region Census data to ensure samples representative of the entire adult population of Canada, the US and Great Britain. Discrepancies in or between totals are due to rounding.

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Habits of Group Buyers

Americans are most likely to purchase restaurant or food-related group buying deals (46%), product deals such as clothing, tools, furniture or electronics (43%) or entertainment deals like movie and concert tickets (39%). British men are more likely to buy restaurant and food deals from group buying websites (44%) while women prefer spa, salon and cosmetic deals (37%). Canadian women also buy spa and salon deals (42%) but both genders participate in restaurant deals (70% of men and 59% of women). Deals for children are the least purchased in Britain and Canada (8% and 4%) while spa and salon deals are the least bought in the U.S. (13%).

Habits of Non-Group Buyers

Americans who have not bought a group deal say this is because they had not heard of the concept (12%) or aren't interested in group buying (27%). One-in-five Americans (18%) who haven't bought from any group buying sites say this is because they do not want to share their credit card information. In Britain, some of those who have not participated also cited not wanting to share their credit card information (14%) but for the most part hadn't seen any deals that were of interest to them (59%). When asked why they have not bought any group deals, Canadians mentioned not having heard of group buying until now (37%) or not having seen any deals they wanted to participate in (27%).

Regional Differences

In the United States, awareness about the concept of group buying is lowest in the Midwest with 46 per cent of respondents saying they have not heard of any of the listed group buying websites. Two thirds of people in the Northeast have heard of one or more of the sites (67%). Awareness is consistent throughout Britain, although Scotland has the highest level of awareness (53% of Scots have heard of one or more of the sites listed). In Canada, awareness is lowest in the Atlantic Provinces and Quebec (74% report having not heard of any of the websites listed) and highest in British Columbia, where 65 per cent of respondents have heard of one or more group buying websites.

Gender Differences

In Canada, women are driving the group buying trend, with 19 per cent having bought from Groupon (compared to 11% for Canadian men). Both genders are equally likely to purchase from group buying sites in the United States (Men 20%, Women 19%) and Britain (Men 20%, Women 17%).

Men in Britain are most likely to allow a group buying deal they've purchased to expire before they get a chance to use it (44%). Less than a quarter of British women (24%) have allowed a deal they bought to expire. In Canada, women are more likely than men to tell their friends about group buying deals they've seen using Facebook, Twitter or email (46% of women and 27% of men). As a result, one third of

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Canadian women who have purchased a group deal have received a referral incentive (29%). Nearly half of Americans who have bought a group deal have purchased it as a gift for someone else (45%).

Effects on Consumer Loyalty

In Britain, 26 per cent of men have purchased a deal, used it at a vendor, and then returned to that same vendor at full price. Only seven per cent of British women return to pay full price. American men are twice as likely as women to return (36% to 18%). In Canada, women are more loyal (28%) than men (19%) when it comes to returning to a vendor at full price.

Purchasing Habits

Among the three countries studied, Americans are least likely to pay full price and try to seek out a deal (35%), followed by Britons at 31 per cent and Canadians at 29 per cent. Almost two thirds of American men (64%) are willing to pay more for something they really want, but prefer to get a deal. Two thirds of women in Britain (68%) like to get a deal but will pay full price for something they really want. In Canada, 70 per cent of men and 65 per cent of women like to get a deal but will pay full price if required.

At least three-in-five Britons (68%), Americans (66%) and Canadians (62%) who have bought a group buying deal say it has made them more price-sensitive and as a result they now think twice before paying full price.

Long-Term Effects

Two-in-five British men (40%) and one third of Canadian men (33%) who have purchased from a group buying website, feel that group buying ultimately harms the small businesses that participate in it—only 19 per cent of British women and 13 per cent of Canadian women share this view. Three-in-ten Americans (29%) feel group buying is detrimental to small business.

The trend of group buying is on the rise, as evidenced by the many websites that have followed Groupon's model. More than two thirds of respondents in all three countries who have made a purchase from a group buying website say that the concept will affect the way consumers shop in the future (CAN 74%, BRI 64%, USA 61%).

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About Vision Critical®

Vision Critical is a global research and technology firm that creates software and services solutions for over 600 clients, including one-in-four of the world's top 100 brands. The company has offices across North America, Europe and Australia as well as a Global Partner Program that provides other research companies and consultants with access to top-of-the-line technology. Its Sparq™ product is the most widely adopted community panel platform on the planet.

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For Immediate Release
Three-Country Public Opinion Poll

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About the Vision Critical Public Affairs practice

The Vision Critical Public Affairs practice is headed by Dr. Angus Reid: an industry visionary who has spent more than four decades asking questions to figure out what people feel, how they think and who they will vote for. A team of talented and experienced practitioners with a unique and profound understanding of global issues conducts high quality research throughout the world on a daily basis for corporations, governments, academic researchers, and non-profit organizations.

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**For more information, please contact
our spokesperson listed in the footnote.**

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Group Buying – Awareness Comparison

Which of the following group buying websites have you heard of?

	United States 	Great Britain 	Canada 
Groupon	45%	35%	34%
Living Social	10%	n/a	7%
KGB Deals	4%	8%	n/a
EverSave (US only)	20%	n/a	n/a
Woot (US only)	9%	n/a	n/a
Groupola (Britain only)	n/a	9%	n/a
GrabItNow (Britain only)	n/a	8%	n/a
WagJag (Canada only)	n/a	n/a	23%
DealFind (Canada only)	n/a	n/a	6%
I have not heard of any of these	41%	55%	51%




Group Buying – Awareness Comparison (Age)

Which of the following group buying websites have you heard of?

	United States 			Great Britain 			Canada 		
	18-34	35-54	55+	18-34	35-54	55+	18-34	35-54	55+
I have not heard of any of these	40%	38%	45%	53%	51%	62%	49%	52%	54%

Group Buying – Awareness Comparison (Gender)

Which of the following group buying websites have you heard of?




	United States 		Great Britain 		Canada 	
	Male	Female	Male	Female	Male	Female
I have not heard of any of these	44%	38%	59%	52%	57%	47%

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Group Buying – Type of Purchase Comparison (Gender)

To respondents who have made a purchase through a group buying website: Please tell us what kinds of purchases you have made through group buying?

	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have made a purchase									
Spa, cosmetics or salon deal	13%	12%	14%	26%	15%	37%	34%	18%	42%
Restaurant or food deal	46%	46%	46%	38%	44%	33%	62%	70%	59%
Entertainment deal such as movie tickets, concerts, activities, classes	39%	48%	31%	32%	35%	28%	29%	22%	33%
Travel or accommodation deal	15%	21%	10%	19%	25%	13%	5%	7%	5%
Product deal such as clothing, tools, furniture, electronics	43%	50%	38%	31%	29%	33%	19%	23%	17%
Children's deal	19%	16%	23%	8%	10%	6%	4%	9%	2%
Service deal such as car cleaning, home services, photography	22%	29%	15%	13%	13%	14%	20%	34%	14%
Other	8%	7%	8%	7%	5%	8%	8%	12%	6%

Group Buying – Non-Buyers Comparison

To respondents who have not made a purchase through a group buying website: Please explain why you have not made a purchase from any group buying website?


	United States 	Great Britain 	Canada 
I'm not interested in group buying	27%	17%	23%
I had never heard of group buying until now	12%	10%	37%
I'm not interested in buying anything online	7%	3%	13%
I'm nervous about sharing my credit card information online	18%	14%	17%
I haven't seen any deals I'm interested in	42%	59%	27%
There are no deals available in the city I live in	13%	13%	8%
I don't like subscribing to daily emails	10%	10%	10%
I'm concerned that they will sell my email address	13%	10%	12%
Other	6%	5%	4%

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Group Buying – Awareness by Region: US

Which of the following group buying websites have you heard of?

	 USA	Northeast	Midwest	South	West
Groupon	45%	53%	42%	49%	38%
Eversave	20%	27%	14%	24%	14%
Living Social	10%	10%	9%	12%	10%
Woot	9%	11%	8%	7%	10%
I have not heard of any of these	41%	33%	46%	39%	45%


Group Buying – Awareness by Region: Britain

Which of the following group buying websites have you heard of?

	 Britain	London	South of England	Midlands/Wales	North	Scotland
Groupon	35%	36%	34%	31%	34%	45%
Groupola	9%	9%	9%	9%	8%	12%
GrabItNow	8%	9%	5%	8%	10%	6%
KGB Deals	8%	12%	7%	5%	9%	11%
I have not heard of any of these	55%	52%	58%	57%	56%	47%

Group Buying – Awareness by Region: Canada

Which of the following group buying websites have you heard of?




	 Canada	BC	AB	MB/SK	ON	PQ	ATL
Groupon	34%	58%	51%	43%	36%	18%	12%
WagJag	23%	22%	15%	15%	42%	2%	13%
Living Social	7%	10%	21%	1%	6%	4%	3%
DealFind	6%	4%	11%	1%	9%	1%	3%
I have not heard of any of these	51%	35%	48%	50%	38%	74%	74%

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Group Buying – Gender Differences

Have you experienced any of the following?

	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have purchased									
Have purchased from Groupon	19%	20%	19%	18%	20%	17%	16%	11%	19%
Purchased a deal through a group buying site and had it expire before I was able to use it	27%	27%	26%	34%	44%	24%	8%	10%	7%
I have sent deals on group buying websites to my friends using Facebook, Twitter or email	41%	41%	40%	38%	39%	37%	40%	27%	46%
I have received incentives for referring my friends to group buying deals	37%	38%	36%	32%	37%	28%	26%	18%	29%
I have purchased a group buy deal as a gift for someone else	45%	44%	46%	45%	43%	47%	38%	38%	37%

Group Buying – Effects on Consumer Loyalty

Have you experienced any of the following?




	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have purchased									
I bought a deal at a company using group buying, then returned to that company again and paid full price	27%	36%	18%	17%	26%	7%	25%	19%	28%

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Group Buying – Purchasing Habits Comparison

Do you agree or disagree with this statement: “Group buying has made me more price sensitive. I now think twice before paying full price, knowing that I might be able to get a deal through group buying.”

	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have purchased									
Agree	66%	67%	65%	68%	70%	66%	62%	51%	67%
Disagree	25%	27%	24%	23%	20%	25%	34%	48%	27%
Not sure	9%	6%	11%	9%	10%	9%	4%	1%	6%




Group Buying – Purchasing Habits Comparison

Next, we would like to ask you some questions about your purchasing habits. Which of the following statements best describes how you normally make purchases?

	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
ALL RESPONDENTS									
I never buy at full price. I always look for a deal.	35%	33%	37%	31%	34%	29%	29%	25%	32%
I like to get a deal but will pay full price for something I really want	60%	64%	58%	64%	60%	68%	67%	70%	65%
I don't mind paying full price to get what I want.	4%	4%	5%	4%	6%	3%	4%	5%	3%

Group Buying – Purchasing Habits Comparison

Which of these statements comes closer to your own point of view?




	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have purchased									
I like to get a good deal, even if it's on something I wouldn't normally buy	40%	45%	41%	31%	38%	24%	43%	41%	44%
I like to get a good deal, but only when it's on something I normally buy	58%	47%	57%	63%	57%	69%	54%	56%	54%
Not sure	3%	8%	2%	6%	5%	7%	3%	3%	2%

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Group Buying – Long-term Effects

Do you agree or disagree with this statement: “I believe that group buying ultimately harms the small companies who offer the deals.”

	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have purchased									
Agree	31%	35%	28%	29%	39%	19%	19%	33%	13%
Disagree	55%	55%	56%	49%	45%	54%	63%	60%	65%
Not sure	14%	11%	16%	22%	16%	27%	17%	7%	22%

Group Buying – Long-term Effects

Do you agree or disagree with this statement: “Group buying will affect the way we shop in the future.”

	United States 			Great Britain 			Canada 		
	Total	Male	Female	Total	Male	Female	Total	Male	Female
Have purchased									
Agree	61%	54%	67%	64%	64%	65%	74%	67%	76%
Disagree	23%	27%	19%	23%	27%	20%	21%	30%	16%
Not sure	16%	19%	14%	12%	9%	15%	6%	2%	7%

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