

The Groupon logo is displayed in white, bold, uppercase letters on a gray rectangular background with a white border. The word "Groupon" is followed by a registered trademark symbol (®).

GROUPON®

Groupon – SNS, and the Age of Social Commerce

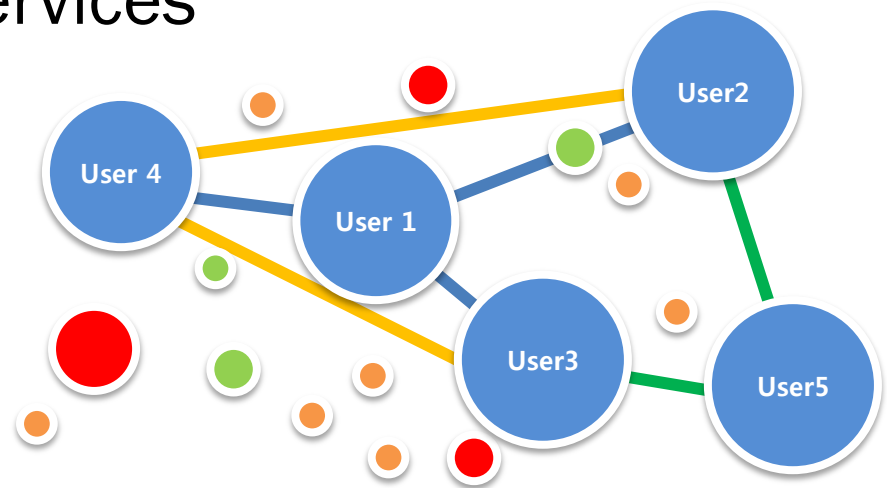


Contents

- What is SNS?
- History of SNS
- E-commerce (revisited)
- Social Commerce
- Groupon
- Conclusion: What to expect from social commerce

What is SNS(Social Networking Services)?

- SNS → online services that deal with building and reflecting social networks or relations among people.
 - User Representation (Profile)
 - Social links (Network)
 - Variety of additional services



Social Networking Services

- Mostly web-based
 - Interaction via email, instant messaging(IM), online communities
 - allow users to share ideas, activities, events, and interests within their individual networks
- Mobile-based Social Network
 - Gaining popularity as smartphone market grows.



History of SNS

- Computer networked social interaction was suggested early on.
- Early stages
 - **LISTSERV** – Email Service
 - **USENET** – Bulletin Board System
 - **ARPANET** – Packet Switching network



History of SNS

- Prototype social networking sites & generalized global online communities
 - AOL, Prodigy, CompuServe
 - Theglobe.com, Tripod.com, Geocities (1995)
 - Tried to bring people together through chatting and persuade them to share info. and idea via personal webpages



History of SNS

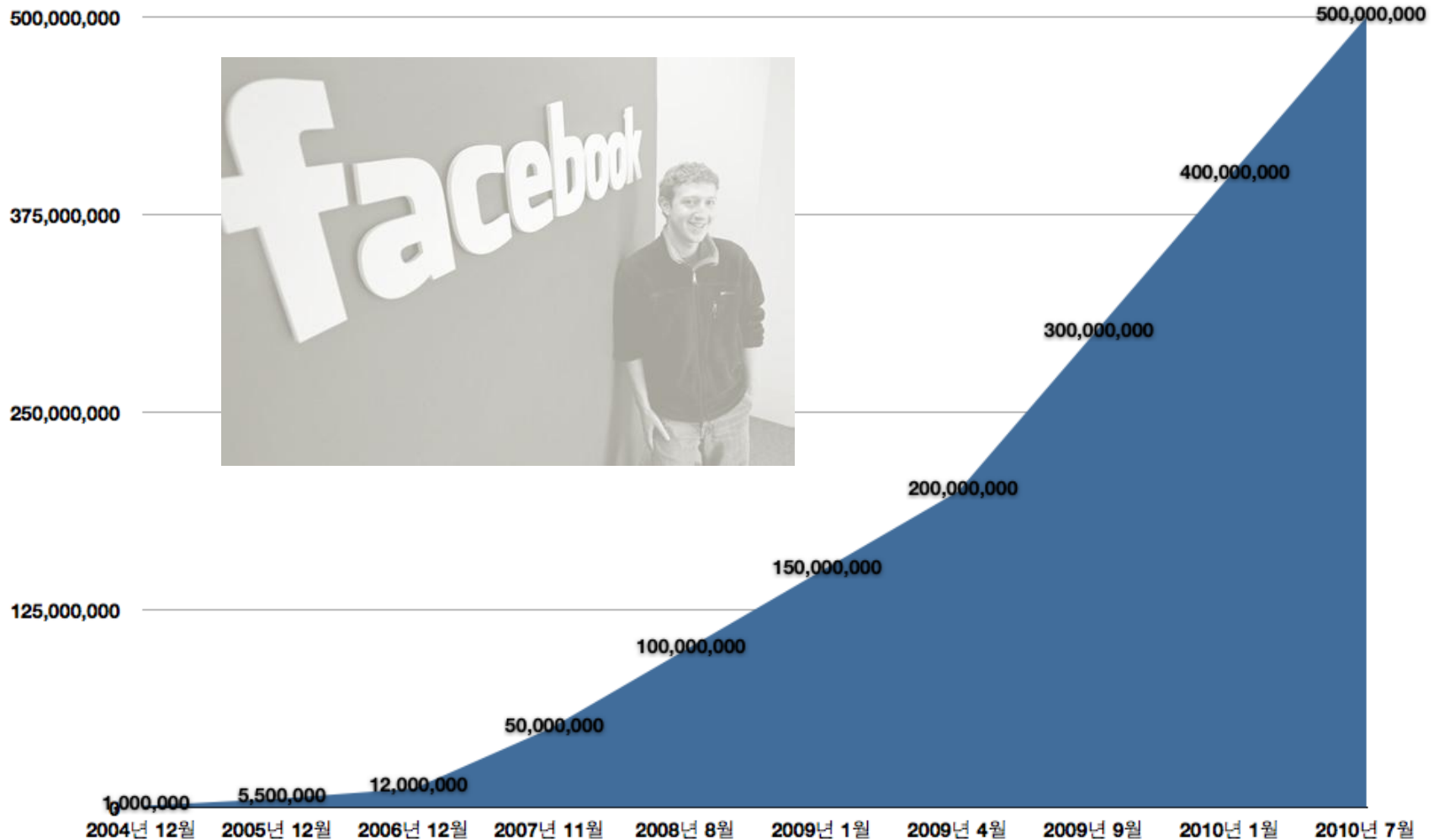
- In the late 1990s, user profiles becomes central feature
 - Allow user to find friends with similar interest
 - Many sites began to offer more advanced friends search and management system
- 2000-Present
 - Facebook, Twitter, Myspace
 - Over 200 active sites and services



follow us on
twitter

SNS Popularity & Growth

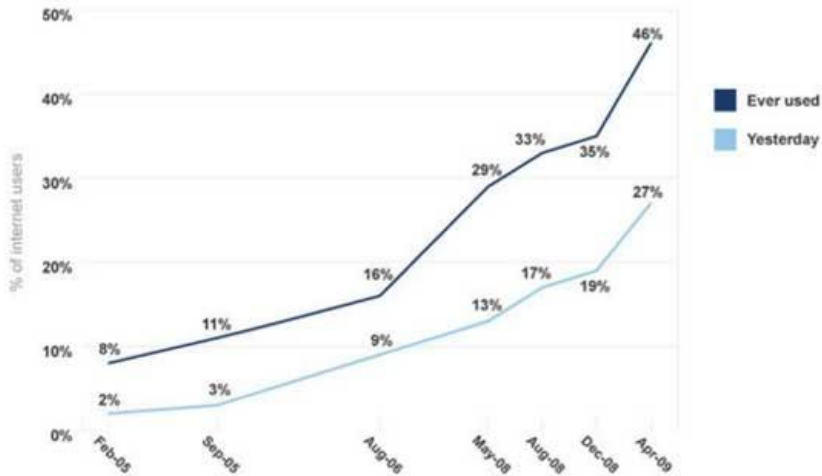
페이스북 회원 성장: 2004년-2010년



SNS Popularity & Growth

Growth in Adult SNS Use, 2005-2009

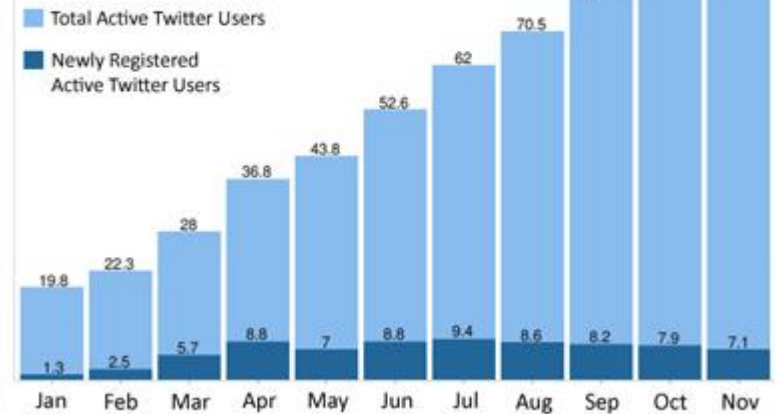
46% of online American adults 18 and older use a social networking site like MySpace, Facebook or LinkedIn, up from 8% in February 2005.



Pew Internet
The Center for the Study of Online Life

Silicon Alley Insider Chart of the Day

Active Twitter Users Jan to Nov, 2009 (In Millions)



Source: Twitter API

SNS and Applied fields

- **Business application**
 - SN connects people at low cost
 - Networks work as a CRM tool
 - Advertising in text ads and banners
 - Way to connect businessmen
- Dating application
- Educational application
- Financial application
- Media application
- Government application



E-Commerce

- E-Commerce – The production, advertising, sale and distribution of goods and services online over the Internet.
 - Amazon.com
 - Ebay.com
 - Dell.com



쇼핑스트리트



WWW.11ST.CO.KR



Groupon CEO –Andrew Mason

- **Group + Coupon = Groupon**
- **Deal-of-the-day** website that features discounted gift certificates at local/national companies
- *Forbes Magazine* – Groupon is “on the pace to make \$1 billion in sales faster than any other business, ever.”



Groupon – How it works

- Assurance Contract & Risk Reduction
 - A Certain number of people must sign up for a certain offer for it to be valid
- Coupon System
 - Customers buy discounted items for local stores to use
 - Approximately half of the sales goes to Groupon
 - Sales Promotion

Groupon Website



Salad Creations
Multiple Locations



Panther Family Laser Tag,...
Multiple Locations

\$29 for \$70 at Rumba Cafe

♥ Girls Night Out

♥ Paint the Town

View Deal

Rumba Cafe
Adams Morgan



Neibauer Dental Care
On Location



Beloved Yoga
Multiple Locations



Cafe Taj
McLean



Nova Vein Clinic
Multiple Locations



Mattress Discounters
On Location



Glynn Jones Salon
Dupont Circle

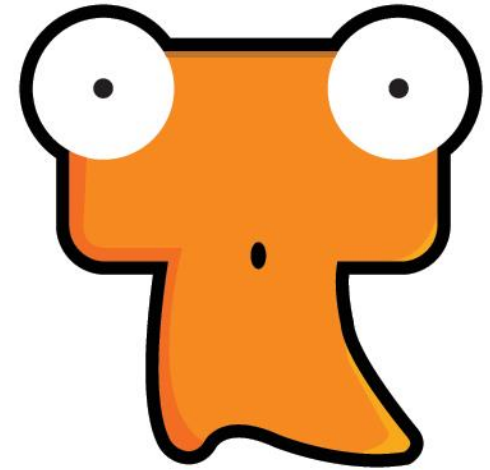
Groupon – Information

- Groupon serves 500 markets in 44 countries
- Has many competitors that are interested in group-purchase SNS commerce
 - Facebook Deal
 - Google Offer
 - LivingSocial Woot!
- Mobile Application



Korean "Groupon"

- T-Mon
- Coupang



coupang
Color Your Days

01 쿠팡의 소셜커머스란?

비용이 필요 없는 홍보

쿠팡 하루 딜을 올리기 위한
초기 마케팅 비용이 필요 없습니다.
쿠팡에서 판매하시고 판매금을
받으시면 홍보 끝!

하루 만에 수백, 수 천명 고객 확보

몇 명의 고객을 원하시나요?
단 하루 동안 집중적 홍보로
수백에서 수 만명까지 고객을
확보할 수 있습니다.

강력한 입소문 효과

쿠팡의 회원들이 중심이 되는
강력한 온라인 입소문!
하루 프로모션으로 충분합니다!

Groupon: IPO

- Groupon's 2011 estimated revenues are in the \$3 billion to \$4 billion range.
 - October – Yahoo! tries to acquire Groupon for \$3 Billion
 - November – Google tries to acquire Groupon for \$5.3 billion
- After rejections, Groupon proceeded with its own IPO. (Nov. 4th)
 - After reaching a high of \$29.52 (50% more than original offer price)
 - By Nov. 22nd, stock price fell below IPO.



Groupon – What now?

- Faces concerns about the viability of its business models
 - Merchants complain about losing money
 - Businesses hope to retain customers, but customers usually do not stay when there are no deals/discounts
 - Customer Service Issues
 - Ton of Competition
- **May prosper long-term, but it may fall much more.**

Future of Social Commerce

- Clearly play a bigger part in commerce in the future
- Possibilities of social commerce
 - Social Currency
 - Share purchases before buying
 - More personalized recommendation
 - Social loyalty/benefit programs
 - Facbook.

Thank you

- Any Questions?