



Enterprise Strategy Reflection Paper

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Introduction

Groupon is an e-commerce website that delivers daily vouchers and discounts for a range of items from advertisers on the site. It was formed in 2008 and quickly rose to fame due to the fact that customers may have a drink at a café, participate in adventure sports, attend pilates or dance classes, or go horseriding at up to a 90% bargain. This is done to assist customers save money. This enabled the firm to reach greater heights in a very short period of time.

Type	Public
Location of Headquarters	Chicago, Illinois, USA
Founders of company	Andrew Mason, Eric Lefkofsky, Brad Keywell
Industry Type	Electronics industry
Owner	Groupon, Inc.
Launched Date	November 2008

Background

The firm was founded with in ThePoint.com, an online network for data collecting. In 2008, this website evolved into a platform for group purchase, and its name was changed to Groupon. In addition, Groupon went public in November 2011 on the NASDAQ stock exchange.

Issues

First, there is an issue with the company model, which is connected to the polymorphic system, which delivers customised services depending on user demand. It was established that tiny stores had structural problems; as a result, in order to increase revenues, only 66% of

purchases generated a profit, and customers were required to sell tickets for higher than face value. As a result, clients received inadequate service and had a negative impression of local companies. In addition, the company model is readily replicable by rivals.

As a result of these issues, the company's offerings decreased. The second problem was low profit; the major reason was declining revenues; this was also based on the declining number of subscribers as a result of negative user experiences and bad service. The decline in customer loyalty had a detrimental effect on the company's image, since offers were made at a higher price than the full or surplus price, and customers were promised further discounts. In terms of rising competition, the firm had a modest amount of leverage in the hands of social media platforms due to its low dependence on IT suppliers, low capital-intensive nature, weak bargaining power relative to the competitors, and widespread subscriber poverty.

Working on the website

If a solution is \$100, the vendor may offer to reduce the price to half on Underpriced, allowing a consumer to acquire it. Groupon retains 50 percent of the service price or \$25, whichever is larger, while the business or user retains the remaining \$25. Even though the corporation will lose \$75 of both the agency's worth, the great number of individuals that will utilize it will produce a net gain. Groupon coupons are advertisements that draw consumers to a company. Obviously, if customers appreciate the item, they will continue to use it and pay for it during the foreseeable.

The management of Groupon established several objectives for 2014, one of which was to expand the firm. Around one point, Groupon's major sales business allowed it to rank as among

quicker firms in history, a rise that sparked interest in the group's initial public sale in late 2011.

In later years, unfortunately, Groupon's growth halted, and the share value has decreased.

Groupon has grown by establishing more retail locations to bolster its coupon business.

Commodities have not helped to Groupon's bottom line, as the company has struggled with shipping and fulfilment costs. It is still behind other e-commerce giants, but it is making progress.

Disadvantages

Even if Groupon is a successful marketing strategy for any business, the high number of clients that might come in a short day has considerable downsides. Consumers are usually disappointed with the service provided and want a refund when dealing with a small business that has an inadequate number of customers. To conduct a competent analysis while building a Groupon unit tests, it is necessary to collect as much information as can about the website's service. One must define the functioning of the system and analyse its pros and disadvantages.

To determine the issue's genesis and repercussions, it is required to research the issue's location and gather enough data for analysis. In my opinion, Groupon's architectural plan should be reconsidered. While concentrating on dealer promotion, they declared to have amassed sufficient brevet fees. This policy will be damaging not just to small shipowners, in addition to organisations as a result of the rising patent costs for marketing advice. If this method removes the major justification for pouring a tiny vent or fortifying a restricted shop, I question whether this input should really be assessed together or independently.

According to my study and personal experience, both Bloomspot and Buywithme are Groupon's competitors. Bloomspot has created a mechanism that rewards many customers for each dollar

spent. The product is intended mainly for retailers and their customers. Therefore, consumers gain points whenever they make a purchase. To attract new consumers, Target and Cosmetics provide similar prices and superior customer service. Buywithme operates similarly to Groupon, except that instead of giving deals for just 24 hours, they provide yearly and holiday-related discounts for a whole week. Customers want more time to consider their alternatives and make educated selections. Therefore, I believe Groupon should mimic these two companies. As a member of the board of directors, it is my responsibility to ensure that the organization's overall business plans are carried out. I am paying close attention to the market strategy of the opponent. My teammates and I are able to do a detailed examination of the area's true potential and the current instance. The organization's absolute and comparative ratio is better in these other characteristics. By concentrating on the identity and lifestyle of a consumer, it is possible to boost their spending. The promotion of the industry's benefits might be aided by removing allusions to its usually humorous limitations. In addition, the company's ultimate objective was to aid small- to medium-sized local companies in acquiring new clients by supplying them with attractive deals and acting as a project manager inside Groupon. I will begin by examining the growth plan of the firm. I will next do a comprehensive study and examination of my competitors. Then, I will analyse the industry's needs and client expectations. As stated earlier, Bloomspot and Buywithme performed a fantastic job of attracting clients. In light of that one, I would pursue a novel approach that parallels this viewpoint. I would preserve Groupon's usual method of distributing deals through e-mail, mobile phone, and online forums, but I would also build a new app feature or option that delivered savings on every customer's purchase. Regardless on the calendar or event, I would

also attempt to provide a period of time during which the consumer may get a year's or lifetime's worth of promotions and bargains. This strategy might have no negative impact on Groupon's current sales model and thus would encourage a significant number of customers to make purchases.

Reference:

Johnson, M., & Marshall, J. (n.d.). *Groupon 1*. Retrieved April 1, 2022, from https://digitalstrategies.tuck.dartmouth.edu/wpcontent/uploads/2016/10/Groupon_Case_R2.pdf