

Development of Group Buying in Turkey: Shopping on Daily Deal Websites

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ABSTRACT *Daily deals or deal-of-the-day is a relatively new business model based on online group buying, a shopping strategy providing volume discounts on products and services. Started in the USA in 2008, the daily deals system has become so successful that in a period of four years hundreds of clone group buying web sites have disseminated across the world mainly because all the involved parties in the system have enjoyed the benefits in a short period of time. The purpose of this paper is to analyze the online group buying system in Turkey, with an emphasis on the influence of some moderator variables on purchase intention of consumers when they shop on daily deal sites. The research was conducted with 400 customers in İstanbul to shed a light on their motivations, behavior, and perception of the online buying system in 2014. The results indicated that on an overall basis the visit and shopping frequencies of the customer to the deal-of-the-day web sites will have significant impact on their perceptions of feeling smart shoppers, having trust and being loyal to the visited web sites.*

Keywords: *Daily deals, Group purchasing, Online shopping, e-marketing.*

ÖZET *Günlük fırsat siteleri, çok sayıda tüketicinin eşzamanlı ürün/hizmet alımlarında yüksek adetten kaynaklanan fiyat indirimi sağlaması prensibine dayalı "grup satın alma" kavramının uygulandığı yeni iş modelidir. 2008 yılında ABD'de başlayıp dört yılda tüm dünyada yüzlerce kopyası oluşan günlük indirim sitelerinin başarısı ilgili tüm tarafların kısa sürede sistemin faydalarını gördüğü gerçeğinde gizli. Bu çalışmanın amacı Türkiye'de hizmet veren çevrimiçi günlük indirim sitelerini incelemek ve özellikle bazı değişkenlerin bu sitelerde alışveriş yapan tüketicilerin satın alma niyetlerine etkisini araştırmaktır. 2014 yılında İstanbul'da 400 adet tüketicinin günlük indirim sitelerinde çevrimiçi alışveriş ile ilgili ile güdüleri, davranışları ve grup satın alma sistemi ile ilgili algıları araştırıldı. Araştırmanın sonuçları günlük fırsat sitelerini ziyaret ve etme ve bu sitelerde alışveriş yapma sıklığının tüketicilerin kendilerini akıllı müşteri olarak algılamak, bu sitelere güvenme ve sadık kalma süreçlerinde anlamlı etkileri olduğu gösterdi.*

Anahtar kelimeler: *Günlük fırsatlar, Grup satın alma, çevrimiçi alışveriş, e-pazarlama.*

1. Introduction

The daily deal or deal-of-the-day is one of the most popular online marketing trends since 2010. It is based on online group purchasing model where orders from several buyers are aggregated into volume purchases so that much better prices can be obtained. Deal-of-the-day (Dod) is a new model of e-commerce closely related to e-coupons but it provides the benefits of purchasing the product/services immediately, in a more convenient way, with higher redemption rates and irrespective of consumption. But the biggest advantage of Dod is the use of social media to transform discounted e-commerce promotions into social buying experiences (Boon et al, 2012; Turban et al, 2012; Erdoğan et al, 2011; Eliason et al, 2010; Fortin, 2000; Kang et al, 2006).

The group purchasing model has its origins in China where internet users used to form groups to buy a specific product from a certain vendor in order to get quantity negotiated discounts as early as 2005 (Kim et al, 2012). Such groups used to be organized by similar online shoppers through the internet forums in the past and the parties used to enjoy the benefits of both paying less and selling more units of the same product. Today the model of group purchasing has been leveraged to buy almost any product/service when a certain number of customers agree to purchase the product / service with deep discounts.

The pioneer company in group buying was established by the Microsoft co-founder, Steve Allen in 1998 with the name of Mercata. The core concept of the company was to help consumers participate in volume discounts even if they were only buying one of an item. To do this, Mercata would use the Internet to aggregate demand. The slogan was “*the more people who buy, the lower the price*” (Kauffman & Wang, 2002). But at the time of the dot-com bubble burst, Mercata was closed down like many other e-commerce companies. Some of the reasons for Mercata to fail were the fact that neither online social networking nor online shopping was as popular as they are today back then, and the company missed the Initial public offering opportunity before the market crash (Gannes, 2010).

Deal-of-the-day companies keep sending daily deals offering deep discounts of 50-80% to a list of consumers who are encouraged both to purchase the deals for themselves and also to recommend them to their friends. This is the main advantage of the deal-of-the-day system which keeps broadening the mailing list for future deals. Deals are offered for a limited period of time like 24 hours but very often these periods are extended both to increase sales and to offer multiple deals concurrently. When the minimum number of customers accepts to purchase the deal on the Dod website, customers' credit cards are charged and therefore, the risk of non-redemption is moved on the customers not like in the traditional forms of sales promotion (Boon, Wiid & Des Autels, 2012).

Deal of the day is an important business model in online marketing. According to the survey conducted for the American Institute of Certified Public Accountants by Harris Interactive in 2010, 23 million Americans purchased coupons from the Dod sites like Groupon or LivingSocial (“AICPA Survey: 23 Million Americans.” 2011)

According to the Local Offer Network “the group buying industry revenue totaled to \$1.12bn in 2010 and it was projected that the market would grow to approximately \$2.67bn in 2011.”(2011).Half of the adult internet users have redeemed online coupons provided by the Dod sites in 2011(eMarketer, 2011).

“It was forecasted in 2011 that the US consumer spending on deals including private shopping sites would grow from \$873 million in 2010 to \$4.2 billion in 2015 increasing at a 36.7% compound annual growth rate” (Pacheco & Udowitz, 2011).

One of the most popular Dod sites, Groupon was founded in November 2008 as a website offering only one deal/day. In only seventeen months, total sales made to one million members reached over \$500 million and the company was valued at \$1.35bn. (Beiles et al, 2012; Hughes & Beukes, 2012; Steiner, 2010). Since no other company has ever managed to grow faster in such a short time, Groupon became both the world-wide leader of the deal-of-the-day market and very attractive for some of the big technology companies. After rejecting the acquisition offer of \$6bn by Google in 2010, Groupon had an initial public offering (IPO) at a \$12.7 billion valuation in 2011. As of the end of 2012, Groupon had 200 million subscribers in 565 different markets all around the world and the largest number of businesses serving those members.

Since a growing number of consumers all around the world have been using discount vouchers, this service became less informative every day and the magic of enjoying discounted prices has disappeared. As voucher price discrimination turned to be a routine practice, the major advantage of the online group buying became less and less attractive. Therefore, the voucher services ended up relying on voucher advertising instead of price discrimination. The large fees of the leading voucher services as high as 50% of the discounted prices were another major threat to prevent the firms' use of these services. Lowered fees and rates provided a competitive advantage to the service providers.

Back in 2011, Dholakia had already uncovered some weaknesses of the industry like “the relatively low percentages of deal users spending beyond the deal value and returning for a full-price purchase and the lowered enthusiasm of businesses to run another daily deal in the future” (Dholakia, 2011a, p.1).

The Groupon shares remained far below their IPO price of \$20 in November 2011 (Brustein, 2013), and “by the end of 2012, Groupon has lost 80% of its value since its IPO in 2011” (Bloomberg, 2012). Since 2011 the company has been trying to transform into a different and a broader service provider still in the business for Internet bargain hunters by acquiring various applications and social shopping services like restaurant targeting, and location sharing. Its biggest asset is the large data base of millions of customers ready to check for deals on their smartphones anytime they do shopping instead of waiting for an offer once a day. As a part of this process of spreading beyond the Dod business, Groupon has purchased an online “flash-sale” (private shopping) retailer company, Ideeli that sells member customers apparels, accessories and decoration items at discounted prices for limited time periods.

2. Daily deals in Turkey

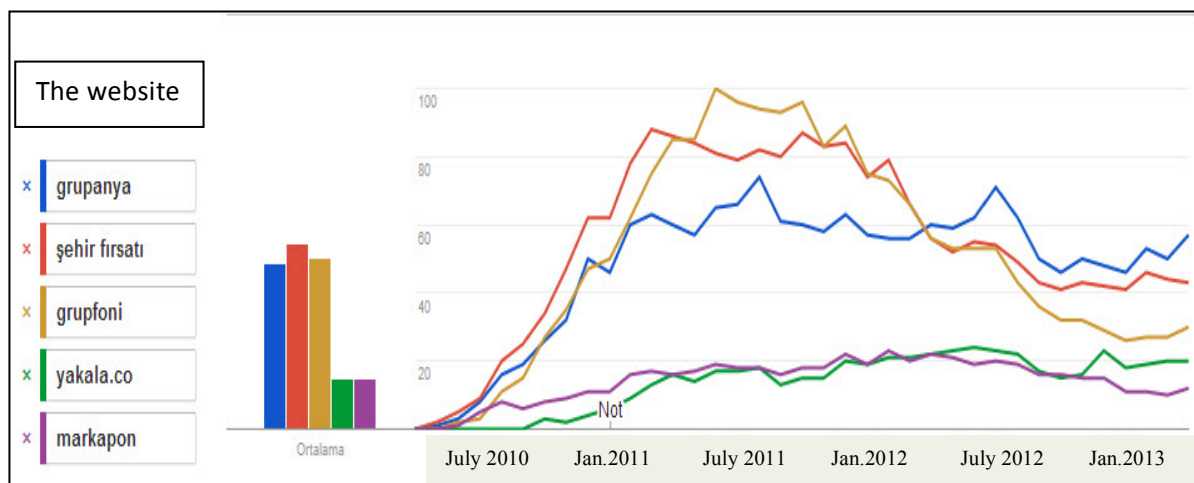
Turkey has the fifth biggest internet population in Europe with 37.7 million users but the penetration rate was only %46.3 as of December 2013. These numbers were 10.2 million and %13.9 respectively in 2006 (Usage and Population Statistics, 2013). According to Interbank Card Center the Turkish e-commerce had a volume of almost 24.4billion Turkish lira (US\$16.3billion) in 2010 (İnternette yapılan kartlı ödeme işlemleri, 2014). The growth rate from 2006 to 2010 was 325%. Turkish internet users were also the second in the rankings with spending an average of 31 hours online in December 2012 February 22 (Radwanick, 2013). Being #5 facebook country in the world, and with the second highest credit card penetration ratio in Europe, Turkey provided a very attractive infrastructure for the emerge of the Dod sites.

The European-based group-buying site My City Deal known in Turkey as “sehirfirsati.com” was acquired by Groupon on May, 2010 right after starting its operations on April 2010 in Turkey. With more than 1 million members by the end of 2010, Şehirfirsati / Groupon became the leader of the booming market with a very attractive business model. In a period two years, more than 500 clone sites with similar group buying services have emerged in the Turkish e-commerce market and this was claimed to be the biggest number of Groupon clones in the world excluding China by the head of Groupon Turkey (Erdoğan, 2011; eticaretmag.com, 2011; Kaya, 2011; Afra, 2011).

In a similar fashion to the global trend, the growth of the Dod sites has also slowed down since 2012 in Turkey due to lowered margins and decreased interest mainly caused by heavy competition. (Figure 1)

The aim of this study is to test the variables leading to purchase intention on the Dod sites and the effect of two major moderator variables of visiting and shopping patterns of the respondents on this relationship between the proposed independent variables and purchase intention.

Figure 1: Visit frequency of the major Deal-of-the-day sites.



Source: <http://umutunlu.com>

3. The literature review

Although the online shopping model of daily deals is a relatively new phenomenon quite a number of researchers have conducted academic research focusing mainly on the impact of coupon discounting, measuring merchants' uses of coupons and customers' responses. Edelman, Jaffe & Kominers (2014) found that daily deal discount vouchers may serve as a device of both price discrimination and informing the customers. If the assessment of the customers with no access to the coupons is better than the ones having access to coupons then those coupons are more effective in providing successful price discrimination. "Offering vouchers tends to be more profitable for patient or relatively unknown firms, and for the ones with low marginal costs" (Edelman et al, 2014 p.1). Companies are also suggested to focus on consumers with a lower recognition of the discounted good for a better advertising effect.

Sursvadi et al (2014) benchmarked the group-buy mechanism against a fixed-price policy and a preannounced discount policy and found that the group-buy mechanism outperforms both the fixed-price and the preannounced discount policy when the consumer arrival rate is low to moderate with the revenue differences up to 32.40% and 4.40% respectively.

Zahao et al (2014) analyzed the repeat purchase mechanism, and found that two important factors affecting the quality level of the service provider are the commission rate charged by the Dod site and the discount level offered by the service provider.

Byers et al (2012) analyzed the effects of daily deals on the long-term prestige of businesses, based on their Yelp (a multinational company which publish crowd-sourced reviews about local businesses) reviews before and after they run a daily deal and found that although daily deals help to increase the number of comments significantly, average rating scores of reviewers mentioning daily deals are 10% lower than scores of their peers on average.

Byers et al. (2012) suggested that this effect might have been due to the higher accuracy of the voucher users.

After examining daily deal performance of five major sites in 23 different markets in the US between 2009 and 2011, Dholakia found that almost half of the businesses reported making money, 27% lost money on the promotions but 48% of the total companies would order a daily deal again. He also found that the rates of new customers to the business and of the ones who did not return to buy at regular prices were both almost 80%. He further found that daily deals caused a major decrease in spending on traditional promotional programs like print and local media advertising. The basic conclusion was that "there were relatively few points of differentiation between the daily deal sites" (2011a, p.1). Kimes & Dholakia (2011b) conducted a series of research in one of which the psychographics of 931 restaurant customers were examined and the major findings were that heavier daily users were just as value conscious as non-users; were more likely to enjoy recommending products to friends; and were less likely to be loyal than non-users (p.1)

The group-buying deals are similar to social coupons with minimum limits, where the product promoted is sold to consumers only if a sufficient number of them buy. Jing & Xie

(2011) found that group-buying deals could be more profitable than traditional individual-selling or a referral-rewards program since they may motivate informed consumers to act as sales agents and acquire less-informed consumers in order to ensure that the minimum limit is met. However, revealing the deal's progress by itself does not play any role in their setting. Thus, in effect, the authors proposed that group buying was optimal when interpersonal communication was very efficient or when the product valuation of the less-informed consumer segment was high. Hu, Shi & Wu (2011) proposed that demand for the daily deals would always be higher if later buyers could observe the number of early buyers who had already purchased the deal because of the diminished uncertainty about if the deal would have been valid or not.

Two of the behavioral theories explaining shopping on the Internet are the theory of reasoned action (TRA) proposed by Fishbein and Ajzen (1975) and the theory of planned behavior (TPB) proposed by Ajzen (1991). The TRA argues that individual behavior is preceded by intentions and that intentions are the function of the individual's both attitude toward the behavior and the individual's subjective norms (i.e., social influence). The TPB is based on TRA and it argues that individuals do not have complete control over their behavior but the perceived behavioral control (the individual's perception of his/her ability to perform the behavior) influences both intentions and behavior. (Limayem et al., 2000)

In this study E-A-S-QUAL (Kim et al, 2006) model has been used to measure e-service quality which was defined as 'the extent to which a web site facilitates efficient and effective shopping, purchasing and delivery' (Zeithaml et al, 2002, p.11). The three dimensions of the model are fulfillment and availability with the two more variables of "Trust" and 'Smart Shopping' as the independent variables of the dependent variable of "Purchase intention".

As the visit frequency and the shopping frequencies on the Dod sites are concerned, the findings of various scholars suggested that the consumers' dependency on internet for product information and the experience of online shopping had a positive impact on internet purchase decision (Ratchford et al, 2003; Rowley, 2000; Shim et al, 2001; Patwardhan & Yang, 2003; Swinyard & Smith, 2003). Therefore it is reasonable to forecast that consumers who keep visiting the web sites to check for deals and the ones who are already experienced in shopping on those sites are likely to purchase more frequently on the Dod sites.

4. The Research

Methodology

This research with the aim of understanding both the daily-deal consumption patterns of the Turkish consumers and the potential effects of the moderating variables on these patterns was conducted with a research tool of a questionnaire made up of four parts. Since the necessary condition was that the respondent would be a Dod user, the filter question in the first part allowed us to select only the ones with an experience of a purchase on one of the daily deal sites. In the second and the third parts the respondents were asked to mark their both shopping and visit frequencies to the Dod sites respectively. The fourth part consisted of 19 questions designed to understand the attitudes of the respondents toward shopping on

Dod sites. The scale used for the question in part 5 was likert scale with five response categories ranging from "1= strongly disagree to 5=strongly agree.

A pilot study was also performed both to check and correct possible defects and misunderstandings. The data collected was processed by SPSS v.18 and three methods of analysis have been adopted based on the aim of the research.

Sample

A probabilistic sample of 403 respondents was contacted in Istanbul, Turkey in 2014. The demographic details of the sample are presented in Table 1.

Table 1: The demographics of the sample

Variable	Frequency	%
Gender		
Male.....	200	50
Female.....	204	50
Age		
19-25.....	249	65
26-70.....	134	35
Marital Status		
Married.....	61	15.3
Single.....	338	84.7
Income /month		
Below 4500,-TL*.....	265	69.2
Above 4500,-TL*.....	118	30.8
Occupation		
Working.....	225	56.5
Not-working.....	173	43.5
Education		
High school and/or lower degree.....	30	7.6
University and / or higher degree.....	367	92.4

*=Turkish currency 1€=2.75TL. (February 2, 2015)

5. Results

Men and women are represented in the sample almost equally. The mean age is 26 and the range is between 19 and 70. As the marital status is concerned, only 15.3% of the respondents were married while 84.7% of them were single. 69.2% of the respondents confirmed a monthly income of below 4.500TL whereas 30.8% of the respondents had income level of above 4.500TL/month. Regarding their occupation, 56.7% of the respondents had no job with a regular income while 43.3% had full-time jobs.

The respondents were mainly either university students or had higher degrees (92.4%) while high school graduates had a low rate of representation of 7.6%.

Two major variables used to classify the respondents were the frequency of visits to their favorite Dod sites and the frequency of shopping at those sites. 33.8% of the respondents claimed that they visited Dod sites to scan offers between 1-7 times a week. While 52% browsed the sites minimum once a month and 14.2% browsed the sites once or less in a period of six months. The respective frequencies for shopping at Dod sites are as follows: 7.7% between 1-7 times a week, 46.8% once a month and 45.5% once or less every six months as shown in Table 2.

Table 2: The respective frequencies of the respondents for shopping at Dod sites

	1-7 times a week		Minimum once a month		Once or less every six months.		Total	
	Frequency	%	Frequency	%	Frequency	%	N	%
Visit Frequencies	136	33.8%	209	52%	57	14.2 %	402	100%
Shopping Frequencies	31	7.7%	188	46.8%	183	45.5%	402	100%

6. The findings

In order to determine the proportion of systematic variation in the used scale and to ensure that the measurement is reliable, the reliability test was conducted and Cronbach's alpha (α) was used as the standard for testing. The average of all possible split-half coefficients resulting from different ways of splitting the scale items is the coefficient alpha or Cronbach's alpha and it may range from 0 to 1 (Malhotra, 2004). Higher coefficients of Cronbach's alpha (α) reflect higher internal consistency of the measured variables and the values of 0.6 and below generally indicate unsatisfactory internal consistency reliability. Table 3 shows that the cronbach's α value was calculated as 0.912 which is an indicator of high internal consistency and reliability of the variables.

In order to identify the relationships between the questions asked and the variables used, factor analysis was conducted but first the appropriateness of the constructed factor model was tested by the standards of Bartlett's test of sphericity and Kaiser-Meyer-Olkin (KMO). The calculated chi-square statistic is 3320 with 171 degrees of freedom which is significant ($p=0.000$) and the value of the KMO statistic, 0.931 is larger than 0.5. Therefore, factor analysis was considered to be the right technique for analyzing the correlation matrix as shown in Table 3.

Table 3: The statistics

(Kaiser-Meyer-Olkin) Cronbach's α	0.912
Bartlett's test of Sphericity Pearson Chi-Square χ^2 (171)	3320.4

Principal Component analysis method and varimax rotation techniques were used to conduct the factor analysis. Since the variances of each question was above 0.5 the analysis was conducted for all the questions and the responses have been grouped into three different factors with the names of "Smart Shopper", "Trust", and "Loyalty". Loading of each of the questions and the explanatory powers of three factors are listed in Table 4. The reliability of each factor was also analyzed and the calculated coefficients of Cronbach's alpha (α) for internal reliability of each factor are also listed in the same Table.

Table 4: Factor loadings for the Smart Shopper, Trust and Loyalty

The Factor	The questions	Factor loading	Factor power (%)	Reliability
Smart Shopper	Q9. DoD sites offer various payment alternatives	0,738	21.229	0.834
	Q8. I compare the deals of different DoD sites	0,733		
	Q10. It is very easy to find the products	0,670		
	Q13. It is very easy to shop at Dod sites	0,621		
	Q6. To be able to jump on deals I follow the Dod sites	0,604		
	Q18. I believe it is smart to shop at Dod sites	0,570		
	Q16. Dod sites keep changing the listed products continuously	0,521		
	Q4. At my first earliest convenience, I will shop at Dod sites	0,516		
Trust	Q2. I am confident that Dod sites will keep my personal data confidential.	0,843	19.088	0.868
	Q1. I submit my credit card with no hesitation at the DoD sites I shop.	0,798		
	Q7. I am confident that Dod sites will keep my credit card number confidential.	0,791		
	Q11. I am confident that Dod sites will keep my shopping data confidential.	0,682		
	Q3. Thanks to their technical structure, Dod sites do not let the shoppers to experience problems.	0,638		

Loyalty	Q17. Shoppers do not practice inventory problems Dod sites	0,742	16.025	0.820
	Q.14 Shoppers do not practice problem with after sales customer services following their shopping.	0,695		
	Q19. I is easy to communicate with Dod staff in case problems during the shopping experience.	0,593		
	Q12. Dod sites deliver the purchased products right on timethey committed.	0,569		
	Q15. I persistently recommend Dod sites to everybody.	0,516		
	Q5. The products purchased at Dod sites are delivered as they are pledged.	0,460		
Total variance explained (%)			56.342	

In Table 5 the effects of the demographics on the factors explaining the variance were analyzed and “gender” and “marital status” have been found having significant effects on the factors of “smart shopper” and “trust” respectively. Male and female respondents had different comments about their trait of being a smart shopper regarding their daily-deal shopping experiences. Male respondents compared to female ones are more differed regarding their perception of being a smart shopper. The replies of the married and single respondents differed regarding their perception of being a smart shopper.

Table 5: The analysis of demographic variables versus Smart Shopper, Trust and Loyalty

		Smart Shopper			Trust			Loyalty		
		Levene /Sign.	t-test	Mean	Levene /Sign.	t-test	Mean	Levene /Sign.	t-test	Mean
Gender	Male	0,65	0,02	28,92	0,421	0,164	13,46	0,894	0,23	19,2
	Female			27,59			12,95			18,67
Age	< 26	0,93	0,93	28,29	0,102	0,063	13,45	0,206	0,16	19,09
	>=26			28,34			12,74			18,44
Marital Status	Married	0,314	0,612	28,64	0,007	0,356	12,75	0,517	0,497	19,32
	Single			28,23			13,3			18,9
Income	<4500TL	0,068	0,313	28,14	0,55	0,165	13,38	0,677	0,799	18,89
	4500-7500TL.			28,78			12,81			19,01
Occupation	Not working	0,95	0,72	27,82	0,264	0,172	13,43	0,893	0,469	19,08
	Working			28,87			12,92			18,75
Education	University	0,533	0,855	28,27	0,514	0,889	13,2	0,829	0,983	18,91
	High school			28,07			13,3			18,93

In order to examine if there is any association between demographic characteristics of the respondents and their patterns of visiting and purchasing at the Dod sites, Chi-square test for independence was conducted. The findings listed in Table 6 have implied significant associations between marital status, and the visit frequency.

Single and married respondents had significantly different visit frequencies to the Dod sites.

It can be seen that 81.2% of the heavy visitors and 90.5% of the less frequent visitors are the single respondents. Although the overall majority (84.7%) of the respondents is single, it is still significantly important that the single ones visit the Dod sites more frequently.

Table 5.1: Cross tabulation of visiting frequencies and marital status

		Marital Status		Total
		Married	Single	
Higher Visiting: At least once a month	Count	43	186	229
	Percent	18,8%	81,2%	100,0%
Lower Visiting	Count	16	150	166
	Percent	9,6%	90,4%	100,0%
Total	Count	59	336	395
	Percent	14,9%	85,1%	100,0%

Similarly, the working status has also been observed as having a significant association with the visit frequency. Employed and non-employed respondents have been differentiated with respect to their visit frequencies to the Dod sites. For the low frequency visitors the respective percentages of employed and non-employed respondents are 35.8% and 64.8%. The percentages for the employed and the non-employed respondents are 51.5% and 48.5% respectively for the high frequency visitors.

Therefore, it can be concluded that there is an inverse relationship between being employed and visiting frequency to the Dod sites. While non-employed respondents are mainly low frequency users, employed respondents tend to be high frequency users. The significant finding with important implications is the fact that the rate of decrease in the visit frequency for the unemployed respondents is 25.1% while the rate of increase is 43.8% for the employed respondents.

Table 5.2: Cross tabulation of visiting frequencies and working status

		Work status		Total
		Not Working	Working	
Higher Visiting: At least once a month	Count	118	111	229
	Percent	51,5%	48,5%	100,0%
Lower Visiting	Count	106	59	165
	Percent	64,2%	35,8%	100,0%
Total	Count	224	170	394
	Percent	56,9%	43,1%	100,0%

The other demographics of age, income level, occupation and education have not been significantly associated with the visit frequency to the Dod web sites.

As for the shopping frequency, the only demographic characteristic having a significant association was observed is the education.

Although the overall majority (92.4%) of the respondents is university graduates, it is still significantly important that the university graduates shop at the Dod sites more frequently. Among the high frequency shoppers the respective percentages of university graduates and high-school graduates are 84.4% and 15.6%. For the low frequency shoppers, the percentages for the university and the high-school graduate respondents are 93.4% and 6.6% respectively. In either category of shopping, it can be concluded that university graduates outnumber the high school graduates in a great deal.

Table 5.3: Crosstabulation of Shopping Frequencies and Education

		Education	
		University or higher degree	High School or lower degree
Higher Shopping frequency: At least once a month	Count	38	7
	Percent	84,4%	15,6%
Lower Shopping frequency	Count	325	23
	Percent	93,4%	6,6%
Total	Count	363	30
	Percent	92,4%	7,6%

The other demographics of gender, age, marital status, income level, occupation and working status have not been significantly associated with the shopping frequency at the Dod web sites.

Table 6: The analysis of demographic variables versus visit frequencies and shopping frequencies

	Visit Frequency (Lower Visiting Freq.- Higher Visiting freq.)			Shopping Frequency (Lower Shopping Freq.- Higher Shopping Freq.)		
	Pearson Chi-Square			Pearson Chi-Square		
	Value	Asymp. Sig (2-sided)	Asymp. Sig (2-sided)	Value	Asymp. Sig (2-sided)	Asymp. Sig (2-sided)
Marital Status (Single-Married)	6,326	1	0,012	0,093	1	0,761
Gender (Male-Female)	0,000	1	0,987	0,652	1	0,419
Age (< 26 – >=26)	1,812	1	0,178	1,171	1	0,279
Income (<4500 TL- >=4500 TL.)	0,057	1	0,812	0,913	1	0,339
Working Status (Working-Not Working)	6,320	1	0,012	1,314	1	0,252
Educational Level(University – High School and lower)	0,005	1	0,945	4,523	1	0,033

The findings listed in Table 7 show that the two moderator variables of patterns of visiting and purchasing at the Dod sites have significant effects on the relationships between the factors of Smart shopper, Trust and Loyalty and purchase intention at the preferred Dod sites. It is also interesting to note that both visiting and shopping on the Dod sites at the intervals of “1-7 times/ week” and “once or more/month” had no significant effect on the relationship between trust, loyalty and purchase intention.

Table 7: The analysis of visit and shopping frequencies versus the factors of Smart Shopper, Trust and Loyalty

			Smart Shopper					Trust					Loyalty						
			Levene /Sign.	F-test	Sig.	Mean difference	Sig.	Levene /Sign.	F-test	Sig.	Mean difference	Sig.	Levene /Sign.	F-test	Sig.	Mean difference	Sig.		
Visit Frequency	1-7 times/week	1	0,646 /0,525	26,55	0,000	(1)-(2)	0,001	0,358 /0,70	6,38	0,002	(1)-(2)	0,374 /0,688	4,04	0,018	(1)-(2)	0,016			
	Once or more/month	2				(1)-(3)					0,000				(1)-(3)		0,001	(1)-(3)	0,016
	Once every six months/ never	3				(2)-(3)					0,000				(2)-(3)		0,036	(2)-(3)	0,036
Shopping Frequency	1-7 times/week	1	0,639 /0,528	30,60	0,000	(1)-(2)	0,43 /0,65	15,20	0,000	(1)-(2)	0,298 /0,742	13,47	0,000	(1)-(2)	0,006				
	Once or more/month	2				(1)-(3)				0,000				(1)-(3)		0,002	(1)-(3)	0,006	
	Once every six months / never	3				(2)-(3)				0,000				(2)-(3)		0,000	(2)-(3)	0,000	

7. Conclusion

Major finding of the study is affiliated to the significant affect being imposed by independent variables namely, “Smart Shopper”, “Trust” and “Loyalty” upon the purchase intention of respondents.

The demographic variables, namely gender and marital status have been found to have significant effect on “Smart Shopper” and “Trust”. “Marital status”, “Working status”, and “Educational level”, on the other hand, have been found to be significantly dominant in determining the pace of “Visit” and “Shopping frequencies”.

The study also tested the moderating effect of deal-of-the-day e-purchasing experience through the analysis of visit as well as shopping frequencies of the respondents. The major set of findings can be narrated as: (1) the association between the frequency of visit versus smart shopper, trust and loyalty, (2) the association between the frequency of shopping versus smart shopper, trust and loyalty.

On an overall basis, through the findings of the study, it can be asserted that “More frequently the respondents visit and shop at the Dod web sites”, larger will be the chances that “Smarter they will feel about this experience, more they will trust and be loyal to the said web sites”. Hierarchy of affiliations cited so far is a valuable asset towards the enhancement of Dod websites.

8. Limitations and Future Studies

As in most studies of this kind, major limitation remains with the data itself. Though the data represents a large sample with high response rate, iterating the strength of the study, context of the data represents students with median age below 30, selected from universities in Istanbul through convenience sampling. The consumer segment of students typically from Y-generation was chosen as a target population since they were found to be illustrative of the online consumers. Implications of the convenience sample, however, render weakness of the study. Any future research, therefore, should consider a larger domain of population context, including non-student segment of the population. Additionally, Deal-of-the-day companies are in the declining stage of diffusion, therefore, the data collected in 2014 may have come from laggards.

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