



Information Technology and Quantitative Management (ITQM 2015)

What Drives Click-Through Rates of Tourism Product Advertisements on Group Buying Websites?

Yanbin Liu^a, Ping Yuan^{b*}, Wei Liu^c, Xingsen Li^d

^aNingbo Institute of Technology, Zhejiang University, Ningbo, 315100, China

^bNingbo Institute of Technology, Zhejiang University, Ningbo, 315100, China

^cSchool of Foreign Languages, Beijing Forestry University, Beijing, 100083, China

^dNingbo Institute of Technology, Zhejiang University, Ningbo, 315100, China

Abstract

Obtaining stable customer base has become the key mission to the development of group-buying platforms, improving the CTR of product ads on group-buying platform is necessary for formation of stable customer base. This research uses the data about 54 relevant variables covering 7,991 group-buying products of 171 days which from a large tourism group-buying platform in China, and explores the influence factors of click-through rates of group-buying products. The results show that: product name, product discount-level, time pressure showed on product page has significant effect on the CTR of product.

© 2015 Published by Elsevier B.V. This is an open access article under the CC BY-NC-ND license (<http://creativecommons.org/licenses/by-nc-nd/4.0/>).

Peer-review under responsibility of the Organizing Committee of ITQM 2015

Keywords: Click-Through Rates; Internet group-buying platform; Price information; Product name; Time pressure

1. Introduction

With rapid development and popularization of internet, online shopping and e-commerce have also increased greatly in past ten years. Till December, 2014, 361 million and the rate of online shopping had increased to 55.7%. As a rapid-developing mode of on-line shopping, group-buying boasts of 173 million users and a usage rate of 26.6 % among netizens [1]. Online group buying is a rapid development form of online shopping, it has a trade volume of 34.885 billion Yuan in 2012, in which the scale of group buying websites is 20.3 billion Yuan, occupying a market share of 58%, and group buying platform contributes 14.6 billion Yuan, taking up a share of 42%.

* Corresponding author.

E-mail address: lyb.nbt@gmail.com; yuanping1212@163.com.

Online group buying mode refers to an online shopping activity in which netizens trade with merchants on group buying websites, through the information exchange platform of internet and group buying websites will gain service charge or price difference of products from the transaction. Its core lies in demand aggregation and quantity discount. In another word, online group buying is a commercial activity in which users in a group with quantity members through the internet and buys the same commodity with a relatively low discount. The greatest difference between online group buying and common online shopping is that it is a cooperative business and consumers have to cooperate with each other, so as to form superiority in quantity and then acquire discount in product price and service.

Group-buying market and the rapid development of the group website /platform benefit from the following factors: firstly, group-buying satisfies young netizens' needs to service goods; it vigorously introduces localized consumption services, such as catering, leisure and entertainment, that is the main reason of the rapid growth of group-buying websites. Secondly, the rapid development of e-commerce in the last ten years, it has a greater influence. As internet shopping accepted by more and more netizens, group-buying mode caters to the speedy development stage of electronic commerce application, and group-buying service achieved reasonable growth in online consumption mode of China netizens. Thirdly, regionalization is becoming an important direction of the development of electronic commerce, the e-commerce environment of some key urban clusters is relatively mature, such as the Pearl River delta, the Yangtze River delta, and the beijing-tianjin-hebei region, and they have a large group of online users. In the same time, the combination of group-buying and LBS applications also strengthens the localization of group-buying services, and provides better application environment to the development of group-buying.

Rapid growth of group buying market has also resulted in some challenges to group buying websites / platforms when it brings about opportunities. According to Data Monitoring Report for Chinese Online Group Buying Market in 2012, till the end of 2012, 6,177 group buying websites / platforms had been established throughout the country and 3,482 websites / platforms had been closed; the death rate reached 56%; 2,695 websites / platforms were in operation, lower than 3,200 websites / platforms in the end of 2010.

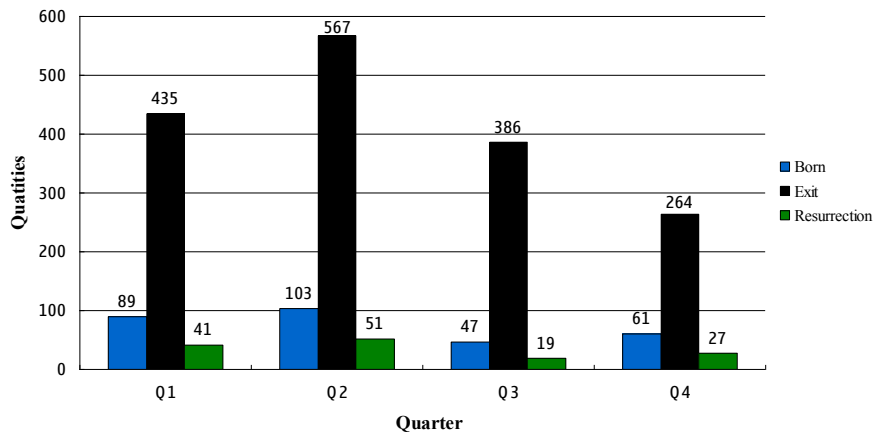


Fig. 1 Quarter statistical chart for quantity change of group buying websites in 2012

Bankruptcy of numerous group buying websites is not only caused by fierce competition triggered by business model convergence, quality problem of commodity and integrity problem of merchants, but the most important problem is that those websites do not gain a stable customer base. In order to solve this problem, the click-through rate of group buying websites or product advertisement should be increased at first. Only by increasing the click-through rate of products or group buying websites, the sales rate of products on group

Download English Version:

<https://daneshyari.com/en/article/485741>

Download Persian Version:

<https://daneshyari.com/article/485741>

[Daneshyari.com](https://daneshyari.com)