

## Groupon Versus klosebuy



Online Shopping is Still a Craze

It seems a new app is released nearly every week in the United States. However, my focus of today's article is a contrast and comparison review between [Groupon](#) versus klosebuy the award-winning app, now hitting mobile phones across the nation. Many marketers who utilize Groupon or have advised clients to advertise on the mobile app have found a great deal of disappointment when it comes to their ROI. However, the well-known social buying application is still booming. [klosebuy](#) (*no capitalizing*) is going to sweep retailers and small business owners everywhere. And not only will they find results, they'll keep followers coming back for more. Here's my breakdown:

**Is Groupon More Focused on National Sales than Local Businesses?**  
[Groupon's](#) worth to the average retailer or small business owner seems to be dwindling by the moment. Once a hot ticket for local retail, the app has expanded to other sources of selling products. While continuing ad offers at

nearby establishments, the developer also targets online retail sales with dirt-cheap deals. Items like clothing, electronics, and household products can be found in Groupon's Goods that appears to be the landing page for the site. Attention seems to be taking away from local business users even when patrons are searching for hot buys in their general area. The way Groupon sells to users' is sidetracking the geo targeted customers slowing them down rather than taking them where they want to go. Of course, I'll admit to falling into this grand scheme of marketing as I myself bought items because they were in my face. (And I'm a sucka) However, on days when I'm in a hurry to find lunch, I don't want to fall privy to the spam method of selling me shit I don't need.



### **Are Groupon Users One Timers?**

Retailers who advertise on [Groupon](#) such as the local health or beauty spa, tend to see some traffic to their brick and mortar stores. However, the return of investment is where reports are leading to, 'loser experiences.' Shop owners such as Kim, of Tan De Soleil - Fort Lauderdale, expresses lack of keeping clients since Groupon groupies tend to be more of a onetime shopper.

*“The loyalty generally fades after the first visit or once they redeem the coupon. Also, you'll need to play with the discount field.” The salon owner goes on to mention “Most cases, you have to jack your prices to break even, which makes the small business owner avoid using the app to bring in customers.”*

### **Breakdown of Groupon's Business Model**

Please make no mistake, Groupon's business model takes their respective fees for you to advertise. Seems fair? Well, let's figure it out together:

Let's say you have a widget; you'd like to sell for at least \$499 to make a profit. You enter your price of \$499 into the proper field, create an ad, and think everything is straightforward. That is until you get to the Groupon's fees before publishing. Your cut is \$130, and the digital marketing platform shows their fee is \$140 making \$10 more than you. As anyone in business knows, it takes money to make money, but where does the balance of \$229 go? This is not a trick question, as you can only assume fees are applied toward website hosting, graphic designers and perhaps photographers who create the fresh pics. That may make sense, but there doesn't seem to be an adequate description or any transparency how the other fees are applied.

Also, shop owners complain they aren't getting quality customers leading to a loss in profit without a return in traffic. However, does Groupon attract your demographic? The only way to determine is by using advertising and experimenting to know the details.

On the flipside, Groupon does offer a minimum number of purchases where they don't activate the fees until they reach that market number. The number is typically around 5 coupons sold. But there's question if it can be adjusted or how they determine what the value is for each campaign.

Moreover, with over 48,000 users, one would assume a pretty 'fat' coin, must be going into the pockets of the business owner. You may also contemplate getting a decent ROI, but at the end of the day, the silver lining is most likely within Groupon's "C" Class owners, presidents and CEOs who you can be certain is rolling in dollars. Regardless, it seems like the numbers would be accurate, but you can only gauge the success of running a Groupon campaign yourself and see if you made your money back. It seems there are better ways to spend your marketing dollars and common 'cents.' Pun intended.

Moreover, specific verticals such as real estate or law may not benefit from using the Groupon app as it doesn't exactly fit the sales apps business model. Although, if you're creative and Groupon approves the ad, then you might be successful. Bear in mind, Groupon does include a stipulation where they won't accept every business to get social with their clientele. Therefore, businesses such as realtors, bankers, and auto dealers are excluded from using the platform altogether. Almost seems as if G's IT team appears to not want to find a way to help these types of businesses grow because it doesn't help their bottom line.



### **Does Groupon Have A New Competitor?**

Regardless of growth, a new award-winning app is getting much attention. klosebuy seems to be tackling a lot of Groupon's issues by offering a price

point for reasonable business owners. Incentives and perks lead the consumer and offer a continuance of loyalty. User-friendly applications and a simple as 'pie' marketing tool, allows both business owners and patrons easily discover one another. The hook, klosebuy directly targets customers with a point system to be used for future purchases. Also making the deal sweeter, the innovators (through their patented system) found a way to send text push notifications. The developers discovery allows text to be sent to each person who downloads the app without annoying, or presenting an illegal action on the user's privacy.

### **klosebuy's Interface is Simplified**

How Groupon works versus klosebuy is significantly driving people to abandon or switch on and off. Between the two apps, there are both innovative and unique ways to capture your audience. However, [klosebuy's](#) interface on the back end is more user-friendly, allowing you to upload your photos from your website or elsewhere rather than generic, stock photos provided from a non-branded source. Having the ability to utilize your own photos allows a branding approach? Moreover, the freedom you have is far greater, along with an extraordinary marketer's toolbox, providing tons of solutions for the advertiser.

### **Direct Mobile Marketing is Key**

More importantly, you can't get more direct marketing than a mobile phone source. klosebuy's technological advantage allows text push notifications coming from reliable sellers causing an instant reminder of their favorited business. The info can be managed by a certified partner at klosebuy or DIY. Either way, your direct target markets are interacting at moderate levels to stay on the top of the buyer's mind.

### **The Advantage is ROI**

Comparatively between the two companies, klosebuy marketing seems to have the advantage. Ballpark cost is only \$199 per month giving you a full range of marketing tools on klosebuy. In Contrast Groupon costs range where you adjust your bottom-line pricing. Regardless, Groupon advertising is more of a cut than you'll get in return. Let's say you run a different ad each month, at the \$130 price discounting your \$499, Groupon takes a total of \$369. This theory leaves you with a bigger bill with less in return. In other words, why would you have to take a loss on your prices to get people in the door? How

do businesses perform with such a high overhead? Not to mention, your ad may go stale if you don't update. Seems, klosebuy is the better choice with many nuances to help both consumer and seller stay in contact, which is the real advantage.

### **Temporary Downfall is Predictable with Positive Change**

The downfall to klosebuy is lack of users, for now. While it won't much time to accumulate a database, for marketers coming on board, it might seem as though they're on the cutting edge of 'nothing.' However, markets that are already using the app for their businesses find they're attracting new customers calling the app an instant success. Not to mention, lawyers, realtors and other similar type of businesses, can be in the marketing mix staying in klosebuy of their new followers.

### **Klosebuy Will Supersede Groupon**

With Groupon's 48,000 active users and in 15-countries, klosebuy will undoubtedly have a climb to catch up to the same numbers as the Big G. However, in 6-months from now, I predict the newest 'kid on the block' will supersede this number in troves. People will likely treasure what the latest digital marketing technology will do for a total buying experience.