

American University Kyiv

A Capstone Project

DEVELOPMENT OF PRINCIPLES OF AN INNOVATIVE MODEL OF GROUP BUYING  
PLATFORM FOR ESTABLISHED COMMUNITIES:  
THE UKRAINIAN CONTEXT

РОЗРОБКА ПРИНЦИПІВ ІННОВАЦІЙНОЇ МОДЕЛІ ПЛАТФОРМИ ГРУПОВИХ  
ПОКУПОК ДЛЯ ІСНУЮЧИХ СПІЛЬНОТ:  
УКРАЇНСЬКИЙ КОНТЕКСТ

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## ABSTRACT

This research develops principles for an innovative Group Buying Platform (GBP) model tailored to the specific socio-economic context of Ukraine as a “frontier” economy and characterized by high inflation, institutional instability, and a social structure having low generalized trust. The study investigates how digital platforms can leverage pre-existing social ties within established communities, such as neighborhood associations and professional collectives, to facilitate collective bargaining power and overcome the interaction frictions.

A qualitative survey was conducted with 37 residents of multi-apartment buildings in Kyiv to test hypotheses regarding consumer interest, trust dynamics, and willingness to pay for platform services. The results reveal that while economic savings are the primary motivator, the main barrier to participation is the risk of disorganization and financial loss. Data analysis confirms that a significant majority of users are willing to collaborate with strangers if the platform provides a guaranteed “Safe Wallet” escrow mechanism, effectively substituting institutional trust for interpersonal trust.

The study concludes that sustainable investment model prioritizing resilience and sustainable growth is essential for the Ukrainian market. The proposed business model utilizes a bottom-up, consumer-initiated approach that empowers existing communities to organize, thereby creating tangible economic value for households and acting as a substitute institution that fosters a culture of broader economic cooperation.

*Keywords: Group Buying Platform; collective, collaborative, cooperative, crowd, social shopping, purchasing, commerce, buying; Frontier Innovators; Ukraine*

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## INTRODUCTION

Platform for facilitation of group buys within established communities is an underdeveloped and underestimated business model creating value for crystallized groups of potentially organized consumers – members of communities of apartment buildings, residential towns, co-workers, friends and other established communities.

The economic and societal value of such a platform is created through enabling the community buyers to self-arrange and overcome the intrapersonal organizational issues related to collective decision making, collecting money and striking the deal and collective, leading to increased bargaining power, allowing to command products or services having better features and composition, reasonable price through higher revenues for suppliers and disintermediation, and to smoothly solve collective problems by purchasing community value goods.

**Sustainability of such P2P models is enabled by maturity of Web 2.0 and transition to Web 3.0.**

Although these capabilities seem revolutionary, the paradox is that group buying phenomenon is rare and conventional marketplaces sustain skewed situation on the market, where merchants retain value by setting the prices and product standards through leveraging their market position, their bargaining and price-getting power.

The aim of this work is to outline key aspects of a group buying digital (online) platform business model which may be further built to foster and manage the group buying initiatives in Ukrainian context. The and finalized economic business model are out of scope of this work – the idea of this work is to design and describe essential component concepts business model, and outline the shallow points requiring attention to make this model attractive for all stakeholders.

A distinctive feature of this work is its orientation towards established social structures rather than ad-hoc consumer aggregations. Unlike traditional group buying platforms that seek to unite disconnected individuals solely for a singular transaction, this model leverages pre-existing networks. These include inter alia formed neighborhood associations, established acquaintances, professional collectives, enduring interest groups. The platform does not aim to engineer new communities from scratch; instead, it serves as a digital economic superstructure that activates and monetizes the social capital already present within these groups. By utilizing existing “warm” ties, the model principles aim to significantly reduce the friction of trust-building and collective decision-making, which is particularly crucial in the low-trust Ukrainian context.

## LITERATURE OVERVIEW

The literature selected to comprehensively consider the comprehensive strategic managerial implications of group buying platform business model as socio-economic phenomenon, instance of mature Web 2.0 economy (e-commerce), platform economy, multipartite ecosystem and to devise the consumer decision journey. Further, the brief annotations of the sources are given.

Schröder, 2011 extensively investigates Web 2.0 business models, especially platform and IT strategic components, emphasizing how participation and network effects drive value creation and defining economic logic behind collective purchasing. The thesis exemplifies the grouping dynamics through the Groupon “daily deal” group buying model.

Chowdhury, 2025 in the study explores remote in-store collaborative shopping, focusing on how consumers use mobile devices to consult and communicate their experience. This source helps explain social dynamics and technology usage underlying group purchasing behaviors.

Kim, Suh, and Lee, 2013 examine how avatars and “media richness” (chatting) impact collaborative shopping online which is vital for justifying the inclusion of social tools in digital business models to replicate the benefits of in-store group purchasing.

Mladenow, Bauer, Strauss, 2015, categorize group buying into vendor-initiated and consumer-initiated models, analyze the interaction phases within group buying submodels highlighting how collective bargaining power drives price reductions.

Nosenzo, Quercia, and Sefton investigate the relationship between size of a group and cooperation using Voluntary Contribution Mechanism games, discovering crucial nuance that larger groups cooperate more in low-return settings due to social benefits, but less in high-return settings where sustaining collusion is difficult.

Muras and Szczepańska-Woszczyzna, 2024, analyze creation of value in the IT sector, contrasting shareholder-centric and stakeholder-centric management models. The authors shareholders mentality aspects which are prerequisites for success, sustaining innovation and agility. This source is valuable for understanding the role of leadership maturity as applicable to business model success.

Zander, Lu, Chimenti, 2025, consider the group buying platform as an ecosystem, investigate salient tensions (incl. core vs. periphery, value creation vs. Capture) as evolution driver of digital platform ecosystems. The study concludes that platforms represent a continuous evolution of market societies rather than a disruption, highlighting the sociotechnical embeddedness of modern economic exchange.

Bartczak (2024) examines the impact of Digital Technology Platforms onto business innovation, positing that they are the basis for modern competitiveness rather than mere support tools, analyzes their facilitation of digital transformation through the integration of AI and SMAC (Social, Mobile, Analytics, Cloud) technologies, classifies diverse platform typologies and highlights the role of the “prosumer” in co-creating value, offering a utilitarian framework for managing the transition to a platform economy.

Breuer, Bessant, and Gudiksen explore games as “interaction architectures” (mainly for low-cost business experimentation) and provides a comprehensive “gamification pattern collection,” mapping game mechanics to specific normative, strategic, and operational challenges across the innovation lifecycle.

Oppl and Sary (2019) present a human-centered digitization framework, utilizing Value Network Analysis to describe intangible exchanges (like knowledge and trust) alongside with tangible transactions. This approach allows organizations to define the complex, non-linear relationships and hidden value flows essential for managing modern digital ecosystems.

Soltanifar, Hughes, Göcke, 2020, define the “Digital Entrepreneurial Mindset” required to leverage data, cloud, and platform opportunities. The authors introduce a Digital Maturity Model and adapt Lean Startup methodologies, specifically the “Venture Pyramid”, to validate multi-sided platform models.

Liao, Zhou, Chen, and Wu, 2024, investigate how gamification influences purchase intention through the lens of “perceived brand coolness.” Drawing on Self-Determination Theory, the study finds that gamified marketing creates emotional connections and intrinsic motivation, transforming the shopping experience into an entertaining activity.

Wang, Zhao, and Li, 2013, characterize group buying as a strategic acquisition collective as opposed to traditional brand communities. The study details how collective bargaining empowers consumers across pre-, during-, and post-purchase stages and processes, creating value through negotiated discounts and crowd self-empowering for rights protection.

Jiang, Huang, Zhu, Zou, 2022, use qualitative comparative analysis to identify four social interaction strategies for online group buying. They demonstrate that while perceived quality and benefits are critical, firms can selectively leverage information sharing, word-of-mouth, or community to drive purchase intention.

Lazarow, 2020, challenges Silicon Valley’s “unicorn” obsession, proposing for emerging “frontier” a superior way of business conduct of “Frontier Innovators”. He defines these entrepreneurs as “Camels” who prioritize resilience and sustainable growth over rapid scaling.

The text argues that by building distributed teams and fostering local ecosystems, these innovators are rewriting the rules of global entrepreneurship.

Starodubska, 2024, analyzes Ukrainian culture and mentality, highlighting a severe distrust to institutions and strangers, and a reliance on “insider” networks. This context suggests that successful collective arrangements in Ukraine depend on personal recommendations and trusted intermediaries rather than anonymous actors. The book provides a framework for understanding how to mobilize polarized social “bubbles” for collective action.

Littlepage, 1991, demonstrates that “functional size” – active participation predicts performance better than headcount. For complex tasks, limited participation in large groups actually improves outcomes by minimizing coordination overhead.

Osmani (2016) synthesizes research comparing decision-making modalities and concludes that while groups offer better creativity and acceptance for complex, non-routine tasks, they suffer from groupthink and time constraints compared to individual efficiency.

Levarlet, Berton, and Paterlini (2023) review academically supported models for mitigating group decision-making biases, providing practical insights.

Other sources describe the current context of Ukraine's economy and society, giving helicopter view onto the difficulties of the Ukrainian social life, and depicting Ukraine's “frontier” context through institutional instability and corruption perception gaps, economic dependence on foreign aid, and consolidating national identity under martial law.

## CHAPTER 1 – GROUP BUYING CONCEPT

**Group buying is also called collective, collaborative, cooperative, crowd, social (in context of social networks and messengers) shopping, purchasing, commerce and buying, and also group buys, and** is an economic and societal phenomenon where organized consumers gain values through cooperation to increase their bargaining power or purchase goods of community value, and suppliers gain increased revenues through a significant purchases.

**The spontaneous group buying is an economic and social phenomenon where consumers unite to increase their purchasing ability or bargaining power in order to redistribute and retain value and, as by-product, generate intangible values through socializing.**

Chowdhury, 2025 defines online collaborative shopping as activity of consumers in different physical locations, who search, navigate, and make purchase decisions through a collaborative web page or mobile app. **Wang, Zhao, Li, 2013 define a group buy as a consumer collective concentrating on consumer needs consolidated by need to discover required brands and receive optimal products and services features at favorable prices.** Draper, 2011, p.1 at Schröder, 2011 defines the logic behind group buying as ability of groups to negotiate better prices through bulk purchases while businesses can sell-out more of stock. More specifically, e.g., Anand and Aron 2003; Chen, Xilong, and Xiping 2007; Kauffman and Wang 2002). Kauffman and Wang (2001) at Wang, Zhao, Li, 2013, researched group buying as an online auction activity with dynamic pricing mechanisms (group discounts) based on timing where prices may drop as more buyers participate, however, this definition is more related to specific models of group buying organization business.

Chowdhury, 2025 points out that there are many dimensions affecting the cooperation – the group shoppers may be in same or different locations, work synchronously or asynchronously, and the collaboration alignment degree may vary.

Besides the above aspects, the group buying also covers the aspects of collective purchase of a single or bunch of goods of community value.

Therefore, for the purposes of this paper, we shall use definition “**group buys**” which covers the following processes (including all of the above):

1. Community value purchases (pooling collectively)
2. One-time bulk orders for multiple buyers (anything from shoes to instrument, vehicles, real estate etc.)
3. Group carts (daily commodities and food for multiple participants).

## CHAPTER 2 – RESEARCH CONTEXT – UKRAINIAN REALITIES

To give countless references, Ukraine is the country having dramatically turbulent history, especially over the last 30 years, since obtaining its independence. Having before dissolution of the USSR a planned command economy which was sustaining significant percentage of the USSR overall military economy, now we are in active phase of transition to modern market economy and the State of Law. We are at the Eastern frontier of democratic society and civilized world, where currently most of our resources are flowing to the war of Freedom.

**Ukraine is at frontier economically, culturally and geographically.** As Lazarow, 2020 states, the **frontier economy** operates in tough, underresourced, underregulated and developing environments and emerging markets, entirely distinct from economic powerhouses, where the innovators must cope with unique limitations stemming from political and economic instabilities – specifically in Ukraine these are caused historically, as well as by brain and labor drain, hostile plundering of industrial infrastructure and facilities, disruption of export, import and internal supply chains, and energy generation and distribution sector; and dysfunctional or disrupted economic and governmental infrastructure aggravated by the condition of war of russia against Ukraine (Udzhmadzhuridze, 2024), and thus huge dependance on foreign economic and military support (PMCG, 2025), with significant actual and perceived corruption rates and issues (Zadorozhnyy, 2025; Polityuk, Peleschuk, 2025), low GDP per capita with 43th place in Europe (World Bank Group, 2025), and, which is critical, drop of the households incomes (World Bank Group, 2024) aggravated by:

- 1) inflation (over 2022-2025 the cumulative inflation for the consumer prices index is 62,73% (The National Bank of Ukraine, 2025), food prices increased for 74%, while specifically fruits and vegetables became 2,5-2,8 times more expensive (The Economic Truth, 2025)) and
- 2) lack of social trust within society and specifically, trust to the state apparatus, law enforcement and right protection bodies, legislative and executive branches of government (Razumkov Center, 2025; Lagarde, 2018).

According to complex research by the “Rating” Sociological Group, as of 2023, 58% of Ukrainian believed that they need significant self-restriction in entertainment and purchases, and in 2025, within 6 top crucial problems of Ukraine, along with the war, corruption, and governmental incompetence, 26% Ukrainian citizens indicate low wages (and pensions), 17% – inflation (staples and commodities prices increase) and 15% – increase of utilities rates.

As per sociological research by Razumkov Center, in 2024, 12,9% of Ukrainians barely sustain their living (even staples are problematic), 37,6% “have enough for food and purchasing necessary inexpensive items”, 38,5% had “enough means for living but struggle to buy durable

goods such as furniture or home appliances such as TV or refrigerator”, and 7,8% feel themselves good but it is difficult to buy apartment or a car. **To wrap up, Ukrainians feel themselves restricted in incomes, where 89% cannot afford themselves goods as costly as a TV or home appliances (which is commensurate with instruments, building materials etc.), and 96,8% cannot afford themselves a car or real estate.**

**The conclusion is simple – this low income is a social pain of the frontier economy and culture, and there might be a business model which may reduce this pain and retain part of the created value to generate profits.**

**The group buying allows increasing of the consumers’ bargaining power and thus decreasing the retail prices and allow the Ukrainians to purchase the needed costly goods with desired features at more reasonable prices.**

However, this idea, at start, seems too controversial, which is natural in line with human cultural and mental peculiarities, especially in the Ukrainian context.

As per Podrug, 2011, the way we make our decision significantly depends on our national mentality built-in to the social values and norms.

Starodubaska, 2024, in her extensive study of mental and socio-economic features of the Ukrainian society outlined that due to the complex conditions of Ukraine’s formation as a country and a nation, our national culture is often referred to as a “**frontier culture**” that is, situated at the intersection of numerous cultures, trade and military routes, fluid borders, and customs. This “frontier” culture is characterized by contradictory combinations of values, high polarization, low social trust, and difficult conditions for establishing cooperation between different social “bubbles”. Uneven efficiency and low trust in formal institutions (the state, laws, regulations, etc.) force people to rely on acquaintances and connections, to achieve life outcomes. Cross-cultural studies refer Ukraine to the group of countries having low social trust, especially to strangers, whereas “you can’t negotiate with everyone”, so “cooperating with one’s own circle is optimal”. 74,9% of Ukrainians believe that one should trust “people I know”, and only 27,4% are willing to trust those they are “seeing for the first time”.

She points out that currently in Ukraine, sky-high social trust inside “bubbles” exists alongside rock-bottom trust between them. The most skeptical groups are the youngest generations and the poorest segments of the population (those who say they can generally only afford food and necessities), which makes the group buying model even more viable and having strong perspective for those young generations who will get accustomed to making collective purchases.

With that, in crisis situations (like war) we “turn on” our tendency toward horizontal collectivism. This helps explain the unprecedented horizontal self-organization of Ukrainians following the invasion and the rapid expansion of the volunteer movement.

In line of this distrust, these group buying acquaintances may be found readily available specifically in their “bubble” communities – either those who live in the same apartment building, village, or at workplace, among friends etc.

So, there must be built a model of digital platform for group buys ecosystems. Controversially, Zander, Lu, Chimenti, 2025 state that social conflicts over the distribution of goods among different strata will sustain in digital platform ecosystems, however these platforms may strive by working within the so-called “social bubbles”. As Lobato, 2019; Srnicek, 2021; Kligler-Vilenchik et al., 2020 at Zander, Lu, Chimenti, 2025 state, the platform ecosystems will evolve and strongly affect modern societies, modifying systems of social values and structures of market.

**Thus, the author believes that creation of the group buying platform will create immense value for the stakeholders involved, increasing the public good, improving wellbeing of consumers and creating profit through retaining part of the generated value. However, in light of the ‘bubbly’ structure of the Ukrainian society, the whole communities must be engaged. The purpose of this work is to find optimal innovative business model for managing the platform and the community consumers groups within such platform-enabled ecosystem.**

## CHAPTER 3 – RESEARCH

The research is done through a qualitative survey questionnaire between the residents of multi-apartment buildings in Kyiv, being the readily available communities.

Considering that the purpose of this paper is defining of conceptual framework of the innovative group buying platform, the quantitative parameters are of secondary value.

Given the widely-accepted statement that Ukrainians are individualists and are not prone to collective arrangements, especially with regards to commercial engagements, the H0 hypotheses are the following:

**H0.1:** The target audience is not interested in group buys;

**H0.2:** The target audience is reluctant to pay for services of the group buying platform

In light of the “bubble” structure, the target audience will feel themselves estranged towards those they do not know personally, therefore the H1 and H2 are:

**H1:** The target audience will only be ready to pool with others for the group buys if they personally know the specific group buying organizer.

**H2:** The target audience will be more motivated to participate in group buys if they pool with their communities rather than strangers.

Considering the poor income situation, the main motive to pool together is tangible, therefore the H3 is:

**H3:** The main motivation behind participation in the group buys is economy.

The questionnaire covers 25 questions and besides testing on the above hypotheses, it also aims at the following targets:

- 1) Specify which specific assistance and functions are expected from the platform and group buy organizer (group leader) to define distribution and functions management;
- 2) Define which organizational matters are of key concern for the group buying participants;
- 3) Define the main groups of goods which may be subject to group buys;
- 4) Check the audience for ‘free riders’ thinking patterns;
- 5) Define the readiness for paying for the platform services;
- 6) Get general demographic data.

### RESULTS

The sample size is 37 persons, which is over 30 (aligns with Central Limit Theorem). The sample size allows making certain indicative statistical assumptions. Based on the survey data, outcomes of the statistical analysis is the following:

1. The biggest obstacle against participation in group buying platform is the difficulty of reaching an agreement and avoiding conflicts, reluctance in their chaos/disorganization and

conflicts expectance therefore the GBP must concentrate on managing swift and constructive discussions and smooth voting/decision making in a group.

2. 78,4% of respondents want guaranteed safe payments, therefore the “Killer Feature” that justifies the platform's existence is the “Safe Wallet” or escrow account). Managing payments must be prioritized over social features. The platform must act as the neutral third party that holds funds until the goods are verified and confirmed by the voters. This unlocks the 45,9% of users who are willing to trade with strangers only if safety is guaranteed.

3. Saving money is the 100% motivator to participate in the group buys. The financial constraints of the majority of respondents (the need to save for big purchases (cars/real estate, appliances and instruments etc.) directly correlate with **savings** being the primary motivator for participating in group purchases.

4. Respondents mostly associate group purchases with their immediate living environment or close circles (**House maintenance companies (co-owners maintenance organizations) / Neighborhood chats: 57%, Friends / Relatives: 57%, Work Colleagues: 51%, Parents' chats (school/kindergarten): 24%.**)

5. 32,4% of the respondents are ready to trade time for economy in terms of group carts (planning of purchases of commodities and food).

6. **Most desired categories for group purchases** are **Technical equipment: 54%** mentions (e.g., generators, tools), **Services: 43%** (e.g., repairs, legal services). **Food and Digital Subscriptions: 38%, Construction/Garden supplies: 27%.**

7. Higher-income respondents are significantly more likely to accept a commission payment. Older participants are slightly more price-sensitive and less likely to accept the commission.

8. Higher earners are slightly more open to trusting the platform mechanisms to mediate with strangers.

9. Younger respondents (18–35) are more open to the “sharing economy” model with strangers than older generations.

10. 62,2% are motivated to participate in buying community value goods.

11. The data suggests that ideal “Early Adopter” profile based on the regression analysis is of age 25–40, with above-average income (values convenience over small savings) and values payment safety guarantees.

12. Considering that the number of the respondents is relatively low (N=37,) and they are granulated in their income, age and gender, we can say with 95% confidence that 70% of the

sample is willing to pay commissions and that means that a clear majority is ready to pay for GBP convenience.

13. Considering that the number of the respondents is relatively low (N=37,) and they are granulated in their income, age and gender, we can say with 95% confidence that **68% are willing to join groups with strangers if payment safety is guaranteed and the procedure is transparent** which means that this concept has mass appeal, not just niche appeal.

14. The “group-buy-sceptic” / “opportunist” markers (Q5+Q9). Of 13 respondents who selected in Q5 (community buy contributing strategy) “Wait until a certain part of the participants contribute to make sure the idea “works”, and then contribute” or “Wait almost until the end, when the item is almost ordered/installed, and contribute money only when there is a 100% guarantee of the result”, 7 respondents selected in Q9 (expected other’s motives to refuse from community buy) “They believe that the state or the Housing Maintenance Office/Condominium Association should provide this for the funds already paid”. This marker does not consider those who refer to difficult financial condition and trust issues. These Q5+Q9 responses overlapping may evidence either “group-buy-sceptic” or “opportunist” thinking pattern which, who shall not exceed 19% of the total number of respondents.

## **VALIDATION(REJECTION) OF THE HYPOTHESES.**

### **H0.1: The target audience is not interested in group buys: REJECTED**

The data strongly affirms that the audience is already active and interested in this behavior. 86.5% of respondents stated they have participated in group purchases before. However, while participation is high, frequency is currently low (52% (of all respondents) do it “rarely/once a year”). This suggests the interest exists, but there is an obstacle against frequent participation.

### **H0.2: The target audience is reluctant to pay for the group buying platform services: PARTIALLY REJECTED**

While users naturally prefer free services, they do not show a strong “reluctance” that would act as a blocker. They are pragmatic: they will pay for value (safety/convenience). When asked about the effect of a commission (Q17), only 24.3% said they would participate less, 48.6% said they would participate the same amount, 21.6% said they would participate more often because the fee implies safety. Approximately 70% of the audience accepts the monetization model if it provides utility.

### **H1: The target audience will only be ready to pool with others for the group buys if they personally know the specific group buying organizer: REJECTED**

The data shows that safety mechanisms can substitute for personal acquaintance. In Q13 (Participating with outsiders), only 16.2% selected “No, in no case (I only trust those I know)”. 45.9% are ready to join outsiders if the platform guarantees safety (holds funds). 35.1% are ready to join outsiders if there are clear rules/moderation.

The insight here is that the trust in the platform's process (enabled by safe escrow account / rules / smooth decision making / chaos/discord streamlining) is a valid replacement for trust in the person.

**H2: The target audience will be more motivated to participate in group buys if they pool with their communities rather than strangers: CONFIRMED**

While users can work with strangers (as seen in H1), their natural behavior and current comfort zone are deeply rooted in their existing circles. The top chosen communities (Q3) were House Owners Association/Neighbors (56.8%) and Friends/Relatives (59.5%) and work Colleagues followed closely at 51,4%. Only 5,4% explicitly identified with a “Specialized Group Buying Community.”

In line with core premise of this thesis, the product should likely start by empowering existing communities (Neighbors/Colleagues) before trying to build a marketplace of strangers.

**H3: The main motivation behind participation in the group buys is economy: CONFIRMED**

Saving money is the dominant driver, though solving a common problem is a strong secondary driver. 73,0% selected “Economy/Savings” as their top motivation (Q4), however, 62,2% also selected “Solving a shared problem” (e.g., buying a generator for the building).

In order to be most successful, the consumers at the platform must clearly see the financial benefit (e.g., “You save 20%”) to align with the primary motivation.

Speaking of the person as aligned to the hypotheses, the data paints a picture of a user who wants to save money (H3) and is accustomed to doing so with neighbors and friends (H2). They are willing to pay a small fee (H0.2) and collaborate with strangers (H1), but only if the platform removes the risk of theft and chaos. They are not uninterested (H0.1); they are likely just tired of the disorganization of current methods.

Conclusion and practical implications of the survey to be applied for further discussion and business model development:

## CHAPTER 4 – GROUP BUYING BUSINESS MODEL

### Group Buying Platform Business model concept

Speaking of group buys, when these are facilitated and arranged by a platform on a repeated systematic manner, it shall be referred to as group buying business model.

**The group buying platform (GBP) is a e-commerce system which allows to involve the group-buying willing communities in a systematic manner into transactions with various suppliers, and scale up through a network effect.**

GBP concept comprises concepts of “digital technology platform” (Zander, Lu, Chimenti, 2025), “e-commerce”, and is an instance of platform economy (Schröder, 2011) which absorbed features of digital, social, and conventional business models.

Bartczak, 2024 states that GBPs operate as social or crowdfunding portals / blogs allowing to gather users’ communities which enables generation of innovative model by “deployment of their frequently hidden potential and knowledge”. Specifically, the digital technology platforms enables sales process and customer service of completely new quality.

GBP creates value through enabling consolidation of peer consumers (either P2P or through mediation of a leader) to increase their order volume and bargaining power (which leads to gaining better or specific product features or better prices, which individually would cost more); or to enable smooth decision making, pooling funds to purchase community value goods. The GBP retains value by taking a transaction commission or a service fee.

These business models arose in context of Web 2.0. As per (Schröder, 2011), Web 2.0 brought social aspect to the Internet by enabling the Web 2.0 communities causing interaction among them leading to synergy and scaling through network effects. The model addresses the crowd as an open call having no specifically pre-selected contributors and pools the further complementary input of the crowd. Speaking of the scale effect, the input of every peer in group buy has little value but cumulative input amount brings value to the platform. There, the activities increase once critical mass of users is reached, along with their collective activity.

Chen et al. (2009) at Wang, Zhao, Li, 2013 suggest that increasing of demand requires that bidders get instruments for cooperation and sharing information, enabled by auction intermediaries.

While GBPs reduce suppliers’ margin percentage or even lead to disintermediation and significantly shift the bargaining power to consumers, these are disruptive, however, as per Zander, Lu, Chimenti, 2025, digital technology platforms do not disrupt market society foundations but are rather instance of steady incremental market development (Casson & Lee, 2011 at Zander, Lu, Chimenti, 2025). Organization of GBP as platform ecosystem impacts

market societies (scope and future) through redefining boundaries of market, where consumers affect market powers through sociotechnical factors.

Market-scale deployment of GBP is an opportunity to create systematic business which allows to create value for all stakeholders through either reducing value chain distance between the supplier and increasing transaction revenues and sharing created value between stakeholders. Hein et al., 2019; Adner, 2017 at Zander, Lu, Chimenti, 2025 mention that platform ecosystems enable new ways to create and capture value. Speaking of the in-group dynamics, the generation of value within platform ecosystems has collaborative nature, while capturing of value stems from standardized, systematic and balanced governance balancing openness and control. Here, the control shall enable retain value by the platform, while preserving the room and motivation for the group buying initiatives (so that the remaining value remains significant enough).

#### GBP business model definition and mechanism

Systematic managing and fostering of group buys requires creating and managing of a digital technology platform through implementing of the following processes:

1. Buyers interaction and decision-making within communities (customers management);
2. Suppliers engagement (management);
3. Managing GBP strategic, operational (administrative) and technological activities, and boundary resources.

The boundary resources become the instruments for the platform to control and influence the activities and interactions within the ecosystem, while retaining and minimizing the coordination effort (and costs) (Zander, Lu, Chimenti, 2025).

Schröder in his 2011 study provides definition for the Web 2.0 business model (by Mansfield, Fourie, 2003, p. 39) as applicable to GBP: Business model is an interconnection of a company's resources and functions with the environment on and micro- and macro- levels, and aims at creation of value, driven by opportunities of developments of environment and infrastructure, where he accumulates concepts and parameters specifying the business model.

GBP is instance of scale-effect model, capable of further self-scaling through network effect.

The GBP business model specifies various business actors, including target customers, and their values (potential benefits) and the way of delivering those values at an appropriate cost.

As defined by Chesbrough, Ganbardella, McGahan at **Bartczak, 2024, a business model is a method to transform new ideas and technologies into profits.**

GBP as instance of a digital business model, **is a way to run business processes with dominating diverse online informational technologies, which includes e-commerce**

(procurement, production, and sales transactions, marketing and distribution), **where 2 variations are available (54 at (Bartczak, 2024)):**

- 1) digital business model (where digital technology dominates and permeates the whole value creation model, being part of the service (product)),
- 2) digitally-enabled business model (where at least one business module's operation is based on a digital technology).

GBP falls within 1 category – fully digital business model, given that it shall enable group buy operations on a large scale, where human factor will create an operational bottleneck. Humans shall intrude on demand only.

Based on analysis of literature on digital technology platforms and group buying, key elements of the GBP business model to create stakeholders value are the following sub-models:

1. **customer value proposition** (Casadesus-Masanell, Ricart, 2011, pp. 102-106) which includes value creation and value offering (through bundle of marketable products and services of having value for customers) (Wirtz, Schilke, Ullrich, 2010, p. 274 at Schröder, 2011, Osterwalder and Y. Pigneur (20) at (Bartczak, 2024)) and customers segmentation. As per (Brousseau and T. Penard (56) at (Bartczak, 2024)) the activities of the of the digital business models are modular in nature, where basic functions and extra services are defined as modules but individually generate no value if not in integration with other model elements. Within digital businesses, customers participate in generation, acquiring and accumulating of information and deemed having a core role in business processes. In order to sustain and increase the number of actors (buyers and suppliers), the platform owner must ensure value-adding for platform players, and value capturing for GBP through infrastructure adaptation. One way for such adaptation, is substantial amending the players' action scope through adding or removing features or functionalities (Ozalp et al. 2018 at Soltanifar, Hughes, Göcke, 2020).
2. **profit formula** (Casadesus-Masanell, Ricart, 2011, pp. 102-106), the way of generating revenues and their retaining from other actors (Wirtz, Schilke, Ullrich, 2010, p. 274), specifically relation between costs and profits.
3. **key resources**, and sourcing domain (outlining specific resources inputs) (**Bartczak, 2024**).
4. **key processes (activities)** of operational and managerial nature (Schröder, 2011) to deliver the value proposition including subprocesses:
  - 4.1. **product (service) design and development**,
  - 4.2. **sourcing**,
  - 4.3. **rendering services**,
  - 4.4. **marketing**,

4.5. **HR,**

4.6. **Information and communication technologies (ICT)** (this crucial element is strongly connected with innovation and requires strong elaboration),

4.7. **defining and implementing rules, metrics, KPIs** such requirements to margin for investments, terms of credit, lead times and supply terms,

4.8. **defining opportunity size for investments, customer approach and channels.**

5. **key partners** (Osterwalder and Y. Pigneur at **(Bartczak, 2024)**).

6. **Strategic managerial choices on mission, strategy** (Shafer, H. J. Smith and J. C. Linder at **Bartczak, 2024**) and **policy** (determining the platform's actions across all its operations).

7. **Strategic managerial choices on assets** (deployment of tangible resources by the platform).

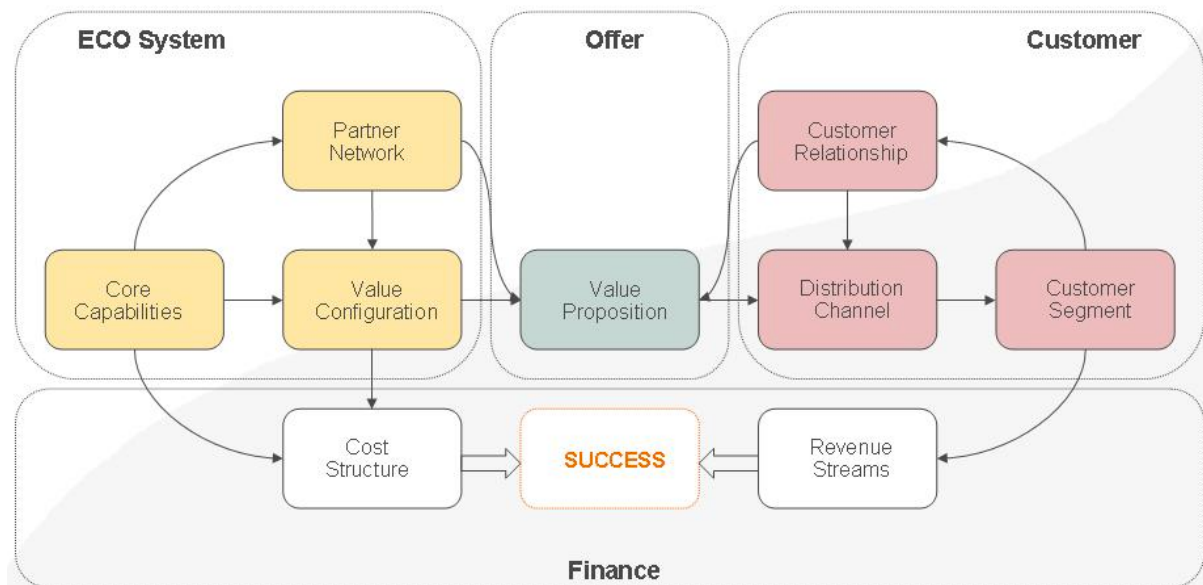
8. **Strategic managerial choices on governance** (arranging rights of decision-making over the choices related to policy and assets) (Bartczak, 2024), or also may referred to as business organization where the operations/functions are distributed among the roles.

9. **Value network** (Bartczak, 2024)) – this important category describes the tangible and intangible value exchange among the actors, and will be considered in detail in Chapter 5.

Business model elements must complement one another and be consistent, and the business model can sustain its effectiveness over time through fending off imitation, holdup, slack, substitution threats (Schröder, 2011) and multi-homing (user's participation at multiple platforms).

The scheme of the digital business model as applicable to GBP is given in Figure 1:

Figure 1: Generic business model overview



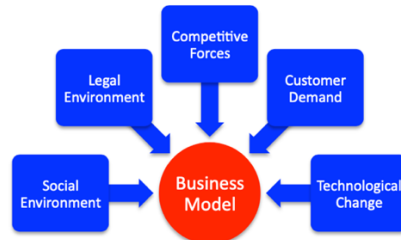
Source: van Oosterhout, 2007 at **Bartczak, 2024**

Also, business model success depends on the stability of the system.

Besides, the business model defines the position within the value chain, with offered products and pricing.

**When developing specific GBP business model, the following pressure factors must be considered as outlined in Figure 2 (Bartczak, 2024):**

Figure 2: External pressures on the business model



Source: Bartczak, 2024

GBP covers various aspects of group buys in a dynamic market, where rules are not defined, therefore the following value generating models (principles) may be implemented to GBP as Web 2.0 business model (based on Schröder, 2011 and Bartczak, 2024):

- (1) serving niche markets with generating revenues from economies of scale.
- (2) online information services (fee per subscription).
- (3) online access (accessing specific purchasing / group cart session) / subscription (for a specific period / number of sessions) / licenses (collective fees for groups of users).
- (4) online advertisement (with brokerage), as a by-service for complementary suppliers).
- (5) B2C brokerage (generating revenue by charging a broker fee for specific transactions)
- (6) Infomediary Model (access to depersonalized data about consumers, buying habits and market segments for further marketing campaigns).
- (7) Utility Model (based on specific measured amount of specific group purchases volumes, including micropayment options for specific participation (Metered Usage or Subscription Model).
- (8) affiliation model (targeting a broad mass of customers via established cooperation with affiliated partners adding links to the organization's portal on their web pages) (Kardas at **(Bartczak, 2024)**)
- (9) Co-financing by public institutions or initiative groups (Varias at **(Bartczak, 2024)**) an awards or grants.**

The strategy of the group buys platforms as a group economy instance, assumes reaching “winner-takes-all” condition at market, where ecosystem scaling will eventually lead to monopoly through virtuous circle (Zander, Lu, Chimenti, 2025), primarily due to the network

effect, which shall become the primary goal at the strategy of this innovative business model. It is a network business, from this aspect. The growth and scaling also lead to leadership in terms of technology, pricing and access and control over valuable market information leading to self-reinforcing monopoly.

#### GBP business models subtypes

The core difference among the business models is based on the grouping initiative – it may be either top-down (vendor-initiated) or bottom-up (consumers-initiated) as described in table 1:

Table 1: GBP business models subtypes description

Core feature	Submodel and process description
Vendor initiated (top-down) group buys	<p>(A) Offering prepackaged goods with dynamic price correlation between number of buyers and price reduction. Buyers have no room for negotiating price or product/service bundle.</p> <p>(B) Offering prepackaged goods where specific group-buying discount levels which may be obtained through reaching pre-qualified numbers of buyers. Buyers have no room for negotiating product/service bundle but the model allowed the extra-service for customers to suspend their purchase until specific price level is reached.</p> <p>(C) Offering prepackaged daily deals, where pre-qualified number of purchasers bought specific discount coupon, where the deal was available for sale for a limited time period. Here, the user may optionally pay an admission fee or subscription rate, then gains access to the “daily deals” and, at acceptances, strikes the deal for the discounted price.</p> <p>(D) Offering a prepackaged innovative product at a discounted price to the kickstarting community and they make pre-buys which in fact becomes an investment for launching serial manufacturing of such a new product.</p>
Consumer (crowd) initiated (bottom-	(E) Aggregation and initiating a group buy by peer consumers having similar interests or needs on a general online forum or on a dedicated online GBP. The GBP provides or suggests the supplier offering a fixed price proposal. If the price is acceptable, the deal is struck.

up) group buys	(F) Aggregation and initiating a group buy by peer consumers having similar interests or needs on a general online forum or on a dedicated online GBP. Contrary to the previous submodel, the the crowd members suggest suppliers/deals and the crowd discusses potential brands/deals, assessing different options. Having selected the desired deal/product, the crowd interactively delegates the negotiator(s) to bargain with selected suppliers (online or even offline with visiting of the premises). The negotiations result in crystallizing of deal options. The final sales stage is acceptance or denial of the deal options by the group members. The interaction model thus includes the presales, sales and aftersales product/service lifecycle.
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Source: Data adapted from Mladenow, Bauer, Strauss, 2015, Zander, Lu, Chimenti, 2025; Wang, Zhao, Li, 2013

The common feature of the group buying models is that all these require time for collecting pool of consumers and decision making, and the value generated is traded for this time.

Mladenow, Bauer, Strauss, 2015 outline that problem with vendor-initiated group buys is “determining the correct group size without deterring potential customers by quoting unrealistic sales volumes in negotiations”, thus, making it look effective for the customers to make efforts for distributing product information and engaging more unless the threshold quantity of potential buyers is reached, here the sales efficiency, speed and success largely depends on efficiency of consumers’ interaction and motivation, as sales aids. Therefore, effectiveness of GBPs still depends on consumers’ interactions leading to a conclusion that instead of vendors, the customers shall be put to the core of the GBP.

**In line with context of this work, to generate the most value for the consumers, GBP business submodel type (F) fits Ukrainina realities and pains best, where the customers or their leader initiate group buys, suggest / select suppliers and control bargaining with them collectively or through a representative. Further discussion and survey will concentrate around this specific submodel.**

#### GBP as an ecosystem

**Bartczak, 2024 concludes that digital technology platforms become an instrument enabling efficient and intensified connection between commercial partners and forms “grounds for effective performance of specific transactions), effectively building a business ecosystem.**

The “platform” concept is often directly associated with the “ecosystem” because most prominent platform businesses possess features of an ecosystem. Thus, ecosystems is deemed a dominant form of organizing participants and their activities on digital platforms rather than simple sales funnel. Specific qualities of the platforms drive their operational models to ecosystem orientation (Zander, Lu, Chimenti, 2025).

For a GBP, as an the ecosystem, the key players are following (Zander, Lu, Chimenti, 2025):

- 1) The platform, which provides infrastructural and digital basis through “extension of technical and social boundary resources”,
- 2) Consumers, who pool funds, generate data and provide feedback which allows improving the platform’s operation and possible offerings,
- 3) Suppliers, having complemetary, secondary role, who transact on a bargaining basis.

In the ecosystem, the buyers and the suppliers are simultaneously contributors and benefactors (and potential losers), to improve the efficiency of the GBP ecosystem performance, both the interaction frequency and quality shall be increased.

Managing tension between periphery and core players.

GBP as a disruptive business model and market power shifting mechanism has inherent controversies where in its center, there is a tension of *Collaboration vs Competition mechanisms*, reflecting the “conflicting intentions of platform participants manifested in their social interactions”.

In this aspect, for managing of platform ecosystem, two competitions types need managing (Tiwana, 2014; cf. Hannah & Eisenhardt, 2018):

- 1) GBP internal competition among participants who engage in creation of value on the same side (such as between peers or between suppliers), and
- 2) external (to ecosystem) competition among direct and indirect platform competitors.

These competitors are mostly vendor-initiated GBPs and even vendors who provide group carts functions.

Through orchestration of collaboration and competition mechanisms, reinforcing effect of better customer satisfaction may be achieved (e.g. by allowing branching of group carts or fragmentation of groups to make more needs-specific purchases).

As mentioned by (Zander, Lu, Chimenti, 2025), the position of a player within the ecosystem (core or periphery) is determined by knowledge possessed and resources controlled, affecting the bargaining power over time. The tension between core and peripheral players is common for digital platform ecosystems.

The core players (naturally, platform owners and the consumers) obtain substantial powers allowing orchestrating activities of peripheral actors (suppliers).

This core-periphery tension requires thorough management to create maximum synergy effect between the consumers and the platform, to release and retain value.

The primary role with the underlying technological architecture, organizational specification, and recurring cycle of accumulated market information, knowledge creation and the discovery of new opportunities by the platform allow controlling of the ecosystem. The market power of owners of the platform stems partly from their ability to control those who and how stays connected to the core infrastructure, and those who is relegated to the periphery (Van Dijk, 2021; Kretschmer et al., 2022 at (Zander, Lu, Chimenti, 2025)).

Secondary but still near-core role is with the group buyers who possess the resources which may be exchanged for the best of offers from several suppliers, accurate internal knowledge about their wants and needs (and alternative ways of their satisfying), and capability of wide market scoping arising from the natural discussion among multiple group purchasers having various points of view and therefore better market knowledge than each specific supplier having naturally siloed stance.

The suppliers gain peripheral (complementary) role within the group buyin ecosystem, yet they gain the value through reducing of per-customer sales costs and increasing of the revenue amount. However, while the contributions of suppliers are vital for existence of the platform ecosystem, the inequality balance must be sustained in a way that still motivation of the peripheral players remain, requiring experimentation and innovation are expected to create value for the overall ecosystem.

Essential technological leadership aspects of GBP as innovative business model

**Bartczak, 2024 notes that the platform management is affected by fast digitalization progress leading to modifying or replacing of incumbent business models where the following platform operations requirements are dictated by transformational digitalisation effect:**

- flexibility improvements on structural level and level-specific processes;
- enabling better alignment of the company organisational structure with needs, expectations, and behavior of actors allowing further building of the experience economy;
- **generating completely novel consumer needs through innovation in common patterns and operations;**
- expansion of business connections network with possibility to control and managit automatically on larger scale;

– reducing of human factor role, making the platform operation less human-labor-intensive and human-error-prone.

In this light, Baldwin & Woodard, 2009; Tiwana, Konsynski & Bush, 2010 at Zander, Lu, Chimenti, 2025, consider the dynamically changing environment of VUCA type, believe that the organizational system of the platform ecosystem must be partitioned into a relatively stable core and a number of complementary modules that may be modernized as per the internal informational system development. Also, as noted by Siggelkow & Levinthal 2003; O'Reilly & Tushman 2004; Hansen 1999; Wright 1978 at Zander, Lu, Chimenti, 2025, in order to achieve more targeted and diversified approach, subgroup categories shall be developed within ecosystem for creation of variation.

For instance, the platform, based on similar synchronous demands of distinct goods, may suggest them to unite (For instance, group A and B searching for \_\_ (common goods \_\_), increasing the bargaining power.

**Oppl, Stary, 2019 considers** concept of digital technology platform, where the GBP belongs, to system of systems. The “system” part, as defined by the Institute of Electrical and Electronics Engineers (IEEE’s) Reliability Society (2014), is “a group of interacting elements (or subsystems) having an internal structure which links them into a unified whole. Its essential properties are autonomy, coherence, permanence, and organization”. A System-of-Systems (SoS) is defined as a system that involves several systems “that are operated independently but have to share the same space and somehow cooperate”.

The following properties impact setting of the boundaries and internal behavior of the GBP as the SoS (Jaradat et al. 2014, p. 206 at **Oppl, Stary, 2019**):

1. autonomy – ability of SoS constituent systems to operate and function independently – the SoS capabilities depend on such autonomy
2. belonging / integration - implication that the constituent systems and their parts have the option to integrate to enable SoS capabilities
3. connectivity of components and their environment
4. diversity (various perspectives and functions)
5. emergence (foreseen / intentional / or unintentional).

**Bartczak, 2024 points out that** digitalisation drives the company closer to the age-of-knowledge organizational model, where following aspects become essential for GBP activities:  
- concentration on specific functions while part of the functions are outsourced, leading to simplifying of structure,

- instead of responsive actions, the company increasingly anticipates the chances and opportunities (due to the knowledge buildup),
- constant innovation,
- concentration on intangible resources,
- the costumers focus turns from mass to smart customers,
- high flexibility in terms of technological instruments.

In line with Bartczak, 2024, due to Digital Technology Platforms, the innovative network-centered cooperation and partnership among different entities (pursuing specific objectives), replaces the incumbent hierarchical and vertically integrated structures of management. This phenomenon is called uberization or so-called hyper-disruptive business models.

### **GBP business model maturity**

As systematic approach towards digitalization and digital transformation, state of company's readines for these processes is called **digital maturity** (Soltanifar, Hughes, Göcke, 2020) which is a framework enabling digital transformation and strong competitive advantage and an instrument indicating way of preparing and continuous adaptation to ongoing digital change.

Bartczak, 2024 underscores that **mature** innovative business model of the platform can be developed through constant innovation and investing in new technologies.

Properties of digitally mature model:

- consolidated vision and strategy of action based on novel ideas and concepts for acting on the market;
- business processes efficiency;
- continuous ongoing innovation into solutions for development of products and services;
- having established stakeholders circle who contribute to implementing of improvements;
- driving of profits into innovative activities;
- use of solutions for effective protection of intellectual property.

**In order to become digitally mature, the platform shall improve its capability in 5 dimensions** (Soltanifar, Hughes, Göcke, 2020):

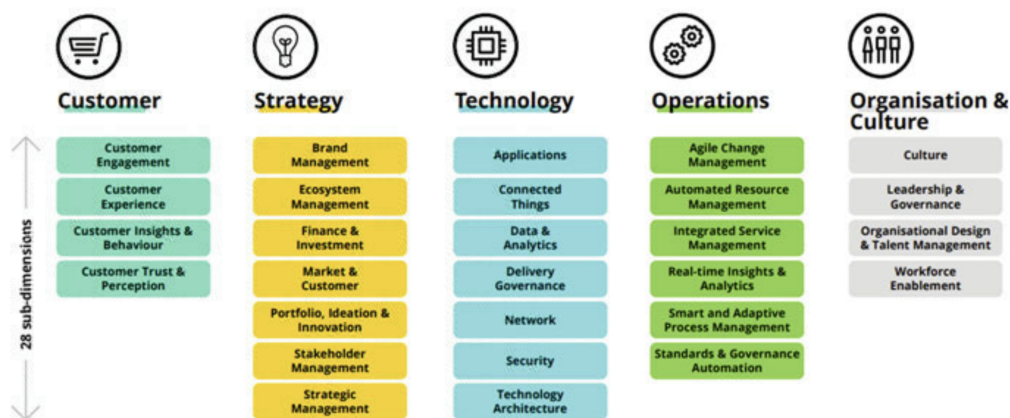
- 1) customers – businesses shall achieve a situation when customers consider them their digital partner (to be achieved through positive customer engagement and customer experience).
- 2) strategy – increasing competitive advantage via digitally-driven initiatives being internal to overall strategy (the strategy shall focus on the brand, ecosystem, stakeholders, innovation management, and strategic management)
- 3) technology – considering network, security and applications aspects (vital foundation of digital strategy facilitating secure storage and processing of data as per demands of customers),

4) operations – improving of efficiency and effectiveness of the business through tasks and processes acceleration with digital technologies (agile change management system and real-time analytics),

5) organisation and culture concentrated on leadership and governance (striving to achieve organisational culture which supports digital transformation and flexibility to achieve it)

Figure 3 details specific 28 sub-dimensions of digital maturity model to be concentrated on:

Figure 3: sub-dimensions of digital maturity model



Source: reprinted from Soltanifar, Hughes, Göcke, 2020

### Platform-specific features of the GBP

The platform business models requires ecosystem of direct operations between the participants, whose number grows as affected by network effect.

**Bartczak, 2024 states that** from a socio-technical perspective, DTP is an integral set of technical elements (incl. software, hardware, related organisational processes, and standards).

Fundamental characteristic of a GBP as a platform, is its multi-sidedness in line **Soltanifar,**

The confidence of the market, especially the core players, in the platform governance-driven quality controls, such as peer-to-peer reviews, have a positive effect on the platform image as an intermediary (Jacobides et al. 2018 at Soltanifar, Hughes, Göcke, 2020).

**As per (Soltanifar, Hughes, Göcke, 2020),** compared to the common “pipeline” business model, the group purchases platform, as a platform business, holds four specific characteristics:

- 1) multi-sidedness,
- 2) network effects,
- 3) chicken-egg-problem,
- 4) winner-takes- all/-most situation.

In light of **multi-sidedness** of the group purchases platform, it must create value for both sides, who shall demand from the platform to connect them to the opposite actor (buyers shall search for suppliers and vice-versa) – so, we shall primarily confirm demand from both sides to provide success to our platform and we can do it by testing assumptions along each side separately.

When assessing the ways to harness the **network effect**, we must understand that utility and demand of a platform correlate with number of its users, however, the platform shall comprehend either same- and cross-side network effects to understand which actors shall be attracted more and for what context to trigger the network effects. Network effects are categorized into same- and cross-side. The same-side effect means improvement of such side experience with increasing of number of this side's participants. Contrary, cross-side network effect means improvement of such side experience with increasing of number of other side's participants.

**Chicken-egg-problem** is described through the need to define the platform party and its number which require increasing on priority to launch the network effect.

The goal of the platform is to reach “**winner-takes-all**” status through revealing the strongest dependencies between the sides and targeting the lock-in situation where both sides (buyers and sellers) sustain their presence at the platform due to its inherent attractiveness.

*In the group buying platform, there is tension between those who create and those who capture value, which requires managing.* How and by who captures the value depends on actors' position i.e., core / periphery, and the perceived power relationships between them. Speaking specifically, there are two factors: various levels competition and isolating mechanism (Lepas & Smith, 2007 at **Muras, Szczepańska-Woszczyzna, 2024**). The platform acts as “an instantiation of agential assemblage”, mediating the sociomaterial practices and organizations structure. Creation of value is thus a sociotechnical phenomenon covering creational potentialities generated via human and non-human entities heterogenous interactions. The GBP must be open enough to allow suppliers to “plug in” and get profit, meaning trading partial control over the created value for sustaining participation incentives (Gawer, 2014).

A platform ecosystem must have some centralised control allowing to capture value and keep costs of coordination low.

Speaking of the degrees of freedom, the platform activities, depend on safe (secure) and convenient environments, comparisons facilitation, **effective communication**, and which is very important for the GBP, a **freedom to choice a trading partner**. Also, in the broader societal context the group buying digital platform

As other forms of economy, the platform economy operates in a wider societal context as facilitated by relations, so value creation at group buying **stems from cultivating of social networks where, in collaboration, interactions allow generating knowledge and offerings.**

In light of its specific activity, the group buying platform may cover C2C, C2B and B2C types, where initially the consumers communicate internally, then communicate with the business.

The platform or her partners/sponsor can act as supplier/complementor, especially at early life cycle (when there is not much complemetors / plarform supply), and thereby design the market relations and significantly benefit the buyer through indirect network effects.

On later stages of the platform existence, the business may contact the consumers groups having specific interest searched.

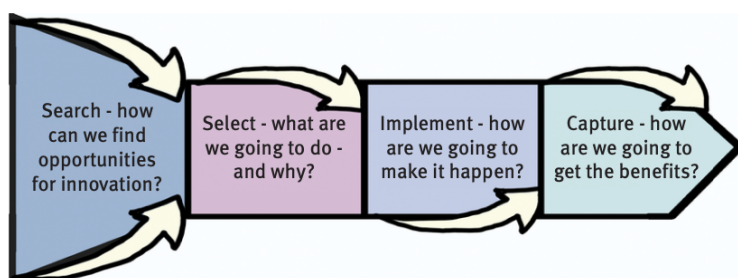
**As an instrument to promote the customers interaction, Liao, Zhou, Chen, Wu, 2024, suggest gamification to create a strong emotional bond between customers and a GBP, where immersion creates positive associations.** E.g., rewards may be given to participants based on ranking at leaderboard, by inviting friends to play games embedded in GBP.

Innovations and technological aspects for enabling sustainable GBP operation  
Innovation is deemed the use of innovative solutions, while innovativeness is GBP capability to implementat innovations.

In line with Bartczak, 2024 the GBP for its operation must apply tools referred to as SMAC (social media, mobile technologies, data analytics and cloud computing). The architecture of the GBP must be built on a stable core (relatively nearly invariable), and numerous highly variable modules (complements / add-ons).

**According to Breuer, Bessant, Gudiksen, 2022, innovation includes building of the innovation culture and** capabilities for the future which is repeating the innovative “hacks” with increasing effectiveness. The GBP must be ambidextrous with regards to the innovation by either “exploiting” and “exploring” and approach the innovation process as outlined in figure 3:

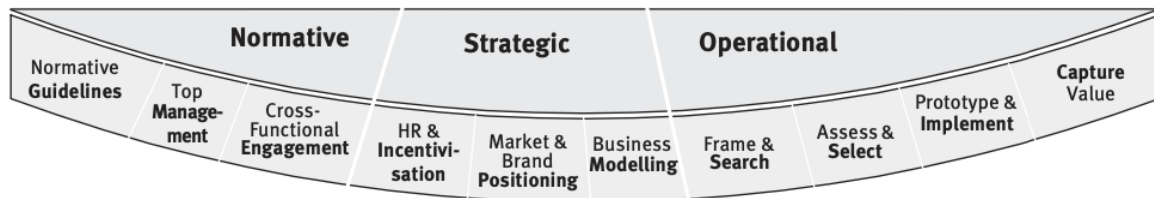
Figure 3: Four step process to drive innovation



Source: reprinted from Breuer, Bessant, Gudiksen, 2022

Breuer, Bessant, Gudiksen, 2022 also define the integrated management framework to be applied for designing the technology and innovation for the GBP (Figure 4):

Figure 4: Management dimensions and overarching domains of innovation challenges



Source: reprinted from Breuer, Bessant, Gudiksen, 2022

**I. Normative dimension** provide for the identity (mission and vision), strategic goals and ethical basis.

**I.1. Normative guidelines**, in the context of a group buying platform, function as the foundational ethical and operational framework manifested through vision statements and community codes governing the diverse interactions between individual buyers, group leaders, and vendors.

**I.2. Top management involvement** description is defined as the critical role of leadership acting as a “power promoter” alongside domain experts to secure the successful implementation of new initiatives. This dimension emphasizes that innovation projects are vulnerable to failure without such authoritative backing, requiring the strategic engagement of influential corporate figures. The overarching questions are what are the ways for engaging colleagues in promoting innovation process through either hierarchical power, technical knowledge (know how), or as active mediators?

**I.3. Cross-functional engagement description** is defined as the collaborative unification of individuals and teams possessing diverse competencies such as developers, community organizers (Group Leaders), and vendors pursuing a shared transaction goals. This dimension entails overcoming the challenges of defining common objectives and aligning priorities across distinct operational areas to ensure that the technical infrastructure, actors’ coordination, and commercial logistics of the group buying process effectively converge through innovation.

**II. Strategic management** provide the basis for the strategic competitive advantage (something that organization can do which others cannot or will not do), outlining the

innovative business model concentrating on value creation implied through the subsequent operational dimension.

**II.4. HR management and employee incentivisation** is defined as the framework for attracting, appointing, mobilizing, and retaining capable resources of all levels to facilitate and enable transforming purchase initiatives into successful transactions. The incentive systems must extend beyond tangible benefits to include trust-building and self-determination measures, such as empowering organizers to initiatively decide which innovative and operational aspects they want to implement.

**II.5. Market and brand positioning** is defined as the strategic process of securing competitive advantages by differentiating the GBP business model from existing market competitors. This dimension encompasses the challenges of managing the platform's brand reputation to foster trust within the community and group leaders, curating services portfolios that drive group formation, and identifying niches where the bottom-up aggregation of consumer demand can create unique value.

**II.6. Business modelling and business model innovation** is defined as development of viable forms of value creation, delivery, and capturing that transform vague collective demand into structured commercial transactions. This dimension encompasses the challenge of exploring design options and creating a shared view among actors of GBP ecosystem to ensure worthiness of the collaborative efforts at GBP. Operationally, it follows a sequence of process stages including the search for emerging consumer needs, generation and selection of crowd purchase initiatives, prototyping, and diffusion of successful group buying mechanisms.

**III. Operational dimension** defines operational processes and daily practices, specifically in terms of innovative service development.

**III.7. Frame and Search** domain is defined as the exploration of future scenarios and unmet collective needs within the crowd and communities context to identify opportunities for new purchase initiatives. This dimension involves the values-based framing of search fields such as filtering for trusted vendors and the generation of ideas where users actively propose specific group buys. A central challenge is: How can the platform effectively scan forum discussions to increase the number of promising, high-volume ideas that can be converted into successful purchasing teams?

**III.8. Assess and Select** domain is defined as the filtering mechanism that reduces the broad “cloud” of potential consumer proposals into a manageable set of viable purchase teams to be pursued. This selection process engages multiple roles including platform moderators, Group

Leaders, and the crowd and communities itself to evaluate initiatives based on criteria such as alignment with the platform's normative code, specific communities markets potential, and vendor logistical capacities (at later stages).

**III.9. Prototype and Implement** domain defined as the process involving several iterations of development to transform abstract consumer interest into functional purchasing groups. This dimension assesses the technological feasibility of the aggregation tools, the desirability of specific specific for the group buyers, and the commercial viability of the negotiated terms. A critical strategic question focuses on determining which components of the group buying mechanism, such as the escrow payment system or the vendor verification process, should be prototyped first to validate the model's potential for breakthrough adoption.

**III.10. Capture value** domain is defined as the domain concerned with ensuring that the anticipated economic, social, and environmental benefits such as volume discounts and community empowerment are realized in the real-world transaction environment as well as part of the value retained for the GBP. This dimension involves validating the GBP model through actual purchase execution by the potential purchase group. A critical challenge at this stage is managing the conversion of the community members' theoretical interest to financial commitment (pushing adoption) and ensuring that the successful delivery sustains trust and drives the "loyalty loop" for future initiatives.

In Ukrainian context, due to high level of digitalization, availability of DIIA and other digital signing mechanisms, the GBP can be featured with current technological instruments allowing it to effectively operate on large scale. Speaking of specific innovative technical aspects which create value, in terms of the GBP as a digital platform ecosystem, the sources focused on the AI, data security and protection, however, other aspects of emerging decentralized Web 3.0 must be considered which include:

1) AI and program instruments to perform multiple functions:

- communities clustering suggestions for similar goods,
- moderation instrument,
- (alternative) vendors suggesting,
- fraud detector (initial verification of publicly available vendor's data),
- analysis of brand- and product-specific sentiment, social listening, social and viral trends detection,
- drafting of collective letters/applications to facilitate communication between buying groups and vendor(s);

- scammers handling;
- 2) Creation of digital distribution lists for group carts;
- 3) API and digital integration between group carts and vendors to facilitate multi-product carts pricing for vendors with low technical capabilities;
- 4) Data Security and Protection (while the former protects data, privacy aims at protecting people).
- 5) Fintech instruments (creating isolated escrow account for each buying initiative, supporting payments for smart (blockchain) contracts)
- 6) Creation, auditing and signing of smart and electronic contracts.

#### Ukrainian context-specific recommendations

Besides the aforementioned globally recognized aspects, the GBP shall navigate the local Ukrainian specifics.

The Definition and Context of Frontier Innovators Lazarow defines “Frontier Innovators” as entrepreneurs who operate outside of the world’s most developed startup ecosystems. These individuals leverage technological or business model innovations to scale their enterprises within unique and often challenging environments. In Ukraine, innovators must navigate complex local constraints while attempting to build scalable businesses, requiring a tailored approach that respects the specific gaps and opportunities of their geography. Based on navigating Ukrainian environment, the model may be scaled up “GloCally”

In Ukraine, innovators shall adopt the so called “Camel” investments model. This approach prioritizes sustainability and resilience from day one. Rather than facing one insurmountable financial dip, the GBP shall navigate “shallow ditches of death” achieving growth and innovation investments in controlled spurts, accelerating and spending cash only when the opportunity arises and ensuring that profitability is always within reach. This balanced strategy will allow to survive in resource-scarce environments without continuous external life support.

Capital Efficiency and Founder Control must be pursued. A core tenet of this approach is to “ingest less capital” and reduce reliance on traditional venture funding. By taking in less outside money, Frontier Innovators are forced to focus on finding a sustainable business model rather than masking inefficiencies with excess cash. This strategy benefits the entrepreneur significantly: because they sell less equity to investors early on, founders retain greater control

over their business decisions. In this view, a lack of capital is rarely the primary bottleneck; the real challenge is building a model that works.

GBP must sustain Strategic Ecosystem Support and Funding Innovation – for ecosystem builders and investors, the goal should be to support these innovators without “drowning” in capital, which risks undercutting the discipline required by the “Camel” approach. Interventions and subsidies should be temporary and designed to exit gracefully. Furthermore, the innovations must be implemented by moving beyond traditional structures. Alternative models may be adopted, such as revenue-sharing agreements, evergreen funds, and computerized, data-driven, and AI-assisted decision-making to better align with the realities of capital-deprived economic ecosystem.

Acting to create Systemic Impact and Culture Building Frontier – more impactful industries must be targeted and more responsible approach to risk (“don't move fast and break things”) must be taken. Beyond own product, the GBP plays a dual role as ecosystem builders, actively shaping the local culture, providing mentorship, build necessary infrastructure, and focus on developing talent - building “A-Teams” of monofunctional talents rather than just hiring individual “A-players”. The GBP success is tied to the broader health of the economic environment, shall contribute to it while growing, and shall sustain through wide adoption by communities. GBP model must become part of the economic culture.

The GBP must navigate Ukraine's specific socio-cultural landscape, which is characterized by low generalized trust outside of close circles (“bubbles”) but high in-group solidarity. Because Ukrainians often mistrust formal institutions and strangers, relying solely on transactional utility is insufficient. The platform must function as a community-building tool that bridges these isolated groups by digitizing “reputation-based” trust. This requires implementing mechanisms that mimic local “word-of-mouth” validation such as transparent peer/vendors verification or community-led moderation to convert the high levels of “familism” and “companionship” inherent in the culture into broader economic cooperation. Success depends on the GBP legitimized itself not just as a service, but as a “trusted intermediary” that protects the collective interest.

Adapting to Institutional Fluidity and Short Planning Horizons Furthermore, the GBP must be resilient to the short planning horizons and institutional instability typical of Ukraine's "frontier" environment. Due to frequent economic and political turbulence, local stakeholders often prioritize immediate survival over long-term strategy. Consequently, the business model cannot rely on rigid long-term contracts or the stability of external legal frameworks, which are often weak or selectively enforced. Instead, the GBP must act as a "substitute institution", providing internal stability and predictability that the broader market lacks. This involves navigating a flexible compliance environment where rules must be enforced through internal economic incentives and social pressure.

## CHAPTER 5 – GROUP BUYING PLATFORM STAKEHOLDERS AND VALUE CREATION

As mentioned in previous chapters, the core aspect of each business model, is generation of value for the stakeholders. While, economically, the purpose of the business is to maximise value for the shareholders (in terms of reaching their tangible and intangible goals), the core acting stakeholder in the GBP are the groups of consumers.

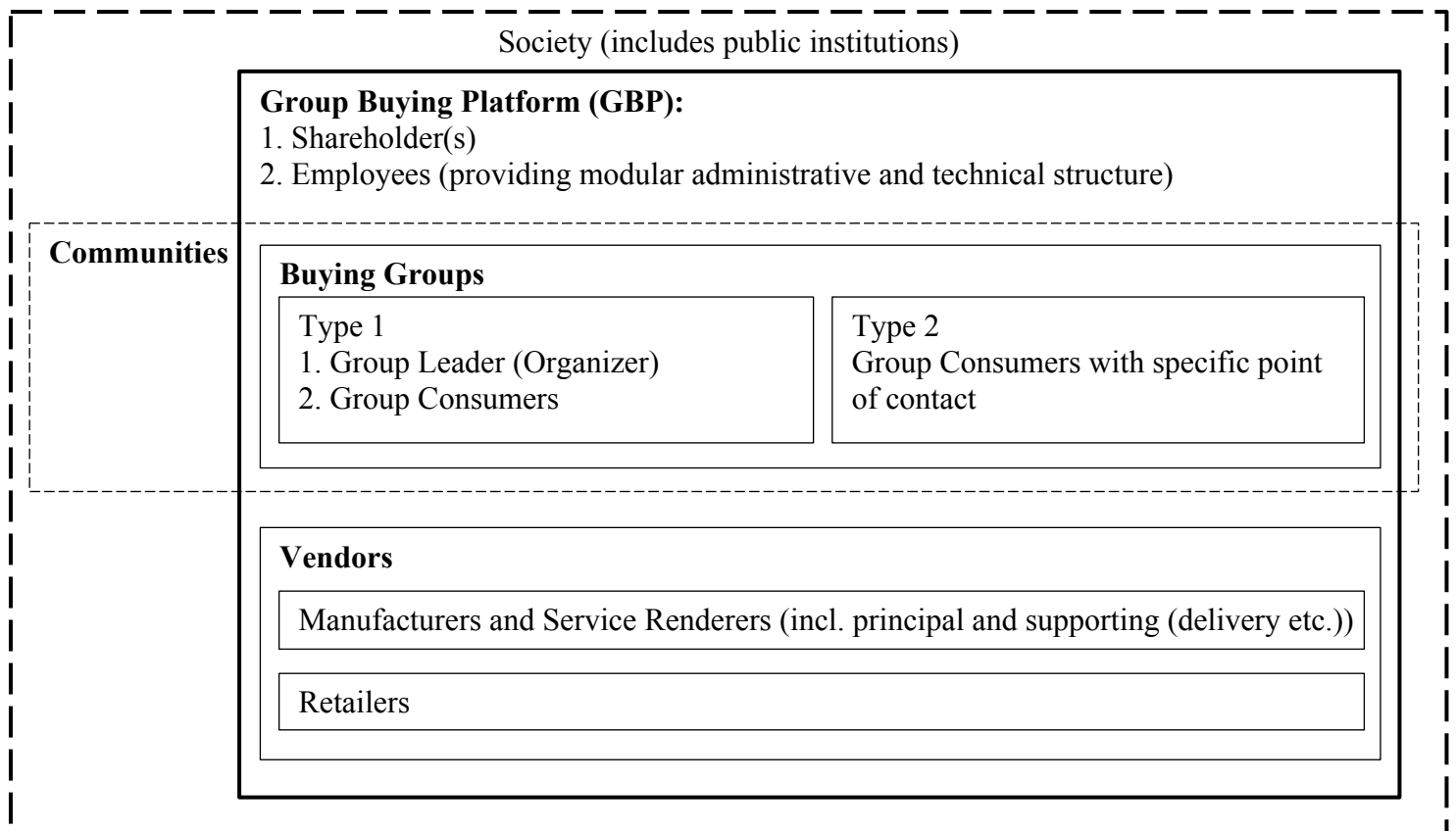
Understanding and managing the value sharing, generation, and distribution requires exhaustive determining of the stakeholders ecosystem and articulating values of each categories of those, who directly benefits from the platform.

**Bartczak, 2024 states that** DTPs bring together stakeholders within a specific ecosystem.

Such business ecosystem, where group buying platform may operate, includes various layers, including the platform governance, core activity and players(covering the group buyers), peripheral players and environment.

GBP, as a platform, covers 2 actors and the platform as governing structure, is an ecosystem of layered system of stakeholders existing on a broader market within society, as charted in the Figure 5 below (credit – the author):

Figure 5: Group Buying Platform Ecosystem



Source: by author

Here the scheme demonstrates that the GBP operates within the broader societal context, targeting the communities, where actual or potential buying groups are already available. The GBP creates the ecosystem encompassing the GBP strategic and operational units (Shareholders, Employees), the Buying Groups, and the Vendors.

The Buying Groups shall emerge on the basis of communities formed at specific location (e.g. living in same building or village / working together), pursuing similar interests (parents, specific car purchasers) or solving similar problems. The latter two may be physical or virtual. As per Oppl, Stary, 2019 in society of the age of knowledge, virtual communities are groups connected through social and knowledge media, engaged in creating, documenting, sharing, collectively using, and distributing of knowledge. Features of such roles affect the content management systems to share their opinions and information within the work flow and shall be considered within the context of technological affordance.

Gawer, 2014 at **Zander, Lu, Chimenti, 2025** outline that ecosystems are commonly believed to be a major form of participants organizing on digital platforms. Kretschmer, Leiponen, Schilling and Vasudeva, 2022 at **Zander, Lu, Chimenti, 2025** point out that actors of an ecosystem, though often independent in legal terms, are connected through long-term relationships by non-formal mechanisms, leading to interdependencies across ecosystems (Hein et al., 2019). Such informal mechanisms are naturally strong within communities, where people are already familiar.

An important note by Hein et al., 2019 and Adner, 2017 at **Zander, Lu, Chimenti, 2025** is that creation of value within platform ecosystems is of collaborative nature, while capturing value rests upon standardized practices, so that effective and efficient governance depends on balanced openness and control, and systemic alignment. That means that the decision making and purchasing funnel shall allow retaining of part of the value by the platform, either by specific fee for services, or through commission from volume of purchase etc.

### **Values and risks generated by operation of GB platform**

#### **Principal GBP ecosystem structure for community-initiated (bottom-up) group buys:**

Here, the **values** are deemed benefits generated through interaction while **risks** are regarded as expected losses or possible unforeseeable outcomes and uncertainties (Teo, Yeong, 2003; Stone, Gronhaug (1993)). The **values** and **risks** cover functional/performance/utilitarian, financial, social and emotional, conditional, physical, privacy aspects, and also knowledge and time aspects within interaction at the group buying digital (online)platform Sheth et al. (1991), Babin et al. (1994) at **(Lin, Tseng, Shirazi, 2022)**.

Joint community activities is an instance of synergy leading to collective value creation (Wang, Zhao, Li, 2013).

Understanding the risks and values leads to proper management of interactions at the platform. Online services security and benefits must be trusted more than their risks perceived.

Considering that operation of the group buying platform is based on values of their actors, we shall develop techniques to organize work leading to creation of intangible and tangible values (Oppl, Stary, 2019). Thus, potential arrangement of operational structures must be articulated through values and by the concerned stakeholders.

Speaking of Tangible and Intangible Transactions, (Oppl, Stary, 2019) defines that tangible values (exchanges) cover goods, services, revenue, and physical objects and documents, of which intangible values (exchanges) comprise knowledge (information) and benefits supporting the value chain of core product and service, and relations. Intangible values help keep business operations running. Intangibles influence relationships in business, human competence, internal structure, and social culture.

As per Zander, Lu, Chimenti, 2025, process of evaluating and consideration of perceived values and risks is central to a buyer's comprehensive experience arising from participation in online collective purchasing. The GBP system withing the customer decision journey shall improve perceived value and reduce perceived risk, and establish trust and safety mechanisms, which will even more reduce the perceived risk. Positive balance between perceived value and risk is critical to foster further behavioral intentions. Positive consumers' feeliln leads to buying and demonstrating enjoyment, encouragement and bonding behavior in the further stages of consumption and usage.

Table 1 extensively outlines the priority-ordered values which must be considered during designing the key managers' value focus points modules and making the consumer value proposition The research of the literature within this work and the survey with the real consumers allowed making a comprehensive list of values targeted by the consumers in Ukraine in context of GBP operation:

**Table 2: Values (Opportunities) and Risks generated by GBP for stakeholders**

<b>Stakeholder</b>	<b>Values (Opportunities) and Risks description</b>
<b>Society</b>	<ul style="list-style-type: none"> <li>- Creation of substantial cash / goods flows between society groups (communities), and manufacturers/vendors, leading to activation of economy.</li> <li>- Business opportunities for less-known local manufacturers and suppliers.</li> <li>- Facilitating development of more transparent, equitable market, creating better overall competition in the market – group consumers strategically improve consumers’ bargaining power and protection as opposed to .</li> <li>- Increasing of collective identity within communities engaging at GBP.</li> <li>- Activation of markets of community goods and services.</li> </ul>
<b>Group Buying Platform (GBP)</b>	<ul style="list-style-type: none"> <li>- Benefitting from economy of scale (sustainable small profit from each transaction through serving huge number of consumers and their groups)</li> <li>- Gaining one-takes-all market power through organizing and managing buying groups which possess massive pooled resources</li> <li>- Gaining of valuable market information (including in-group and groups-suppliers interaction, coordination and purchasing dynamics, mass preferences which may be projected on other groups, generic group initiatives)</li> <li>- Generating and retaining of extra value through arranging of deliveries and other purchase-supporting aspects.</li> <li>- Harnessing network effect to scale up the business</li> <li>- Gaining WoM and e-WoM for the platform brand, due to generating of value for vast numbers of active society members;</li> <li>- Cooperation with group leaders and active buyers as channels for new marketing opportunities (Knowledge, and persistence and connections of a leader reinforce group buying success rate. At a macro level, group buys gain scale, legitimacy and credibility through leaders).</li> <li>- Establishing business connections with organized groups</li> </ul> <p><i>Risk:</i></p> <ul style="list-style-type: none"> <li>- <i>High cost of mistakes – mass negative WoM and e-WoM in case of failure</i></li> </ul>
<b>GBP Shareholders</b>	<ul style="list-style-type: none"> <li>- Maximization of financial value</li> <li>- Accessing untapped market segments of entire communities</li> <li>- Creating social benefit systematically (consolidating communities and increasing value for consumers’)</li> </ul>
<b>GBP Employees</b>	<ul style="list-style-type: none"> <li>- High wages and bonuses due to work at growing business platform</li> <li>- Working at meaningful and socially valuable business, serving public good;</li> <li>- Flexible work schedule due to online nature of the platform</li> </ul>

<b>Communities</b>	<ul style="list-style-type: none"> <li>- Consolidation of self-supporting, conscious and cohesive communities with stronger collective identity, and valued relationships (emphasizing “we-ness”). Membership and popularity of the community evolve over time.</li> </ul>
<b>Buying groups</b>	<ul style="list-style-type: none"> <li>- Making informed collective purchasing decisions – multiple group buy participants disseminate information that is deemed by them useful, unbiased and trustworthy, therefore the collective becomes able to evaluate various brands and attribute bundles before making collective choice (<b>Wang, Zhao, Li, 2013; Jiang, Huang, Zhu, Zou, 2022</b>). Contrary, during individual shopping, salespeople tend to describe their positively and may recommend inappropriate products, to maximize retailers’ profit. It is difficult for single uninformed consumer to counter tailored business pitch.</li> <li>- Optimization of logistics and overhead costs through centralized bulk delivery orders.</li> <li>- Solving collective problems, improving collective infrastructure.</li> <li>- Empowerment to defend collective interests through consolidation of communities. This aspect allows to tackle weak and slow legal and court procedures with regards to consumer protection. Such situation is exemplified in China, where consumers tend to retreat and accept defeat in cases of violation of their rights, consumer issues rarely get to court. Deficient right protection mechanisms (either governmental and non-governmental organizations) fostered consumers to develop “grassroots” groups for protection of their personal interests, with group buying as an instance. As in Ukrainian informational environment, in Chinese consumers’ minds, laws and regulations do not constraining seasoned businessmen and their guanxi (utilitarian relations), which is, as in Ukraine, specifically true with regards to powerful business actors such as real estate developers. Insufficient legal enforcing mechanisms pushes consumers to seek other means of rectification). <b>Also</b> on after-sales stage, group buyers may unite in extra consumption activities. (<b>Wang, Zhao, Li, 2013; Zander, Lu, Chimenti, 2025</b>)</li> <li>- Preparing for next collective purchases through social networking, community engagement, and enhancing the group buyers’ experiences and (<b>Wang, Zhao, Li, 2013</b>).</li> <li>- Effectively recovering a refund of cash paid from unfair vendors (if suggested by a platform).</li> <li>- Contracting parties evaluation system (at later stages, when the market data is accumulated).</li> </ul>
<b>Group Leaders</b>	<ul style="list-style-type: none"> <li>- Easy organizing and implementing of collective buys, including smooth arrangement of decision making, creation of community participants matrix to monitor and track voting and funding status.</li> <li>- Easy funds administering system.</li> <li>- Easy creation of group carts distribution lists.</li> <li>- Getting public recognition and credits generated from community members.</li> <li>- Increased credibility to initiatives through platform mediation.</li> <li>- Availability of moderation system and possibility to administer collective discussion.</li> <li>- Gaining economic value as a specific buying group member, solving community problems</li> <li>- Potentially, remuneration for organizing group buys (directly from peers or supplier).</li> </ul>

	<p><i>Risk:</i></p> <ul style="list-style-type: none"> <li>- <i>Negative WoM and e-WoM in case of failure</i></li> <li>- <i>Need to solve problems with unreliable suppliers</i></li> </ul>
<p><b>Group Consumers</b></p>	<ul style="list-style-type: none"> <li>- Getting tangible economic value through collective increasing of bargaining power: better quality for reasonable price, better prices for appropriate products (larger discounts), advanced or tailored products (with service bundles) unavailable for a single buyer; dilution of logistics and other infrastructural costs. Reducing of costs by disintermediation between manufacturer and supplier (<b>Chowdhury, 2025; Mladenow, Bauer, Strauss, 2015</b>).</li> <li>- by the a group leader, incl. explaining pricing and other aspects, persuading other group members on important matters and communicating problem matters to suppliers. Their negotiation skills are crucial for obtaining an optimal group. Leaders may act if the vendor fails to timely deliver products, or buyers are not satisfied with the goods. They assist other purchasers to investigate problems and guide them if issues arise.</li> <li>- Getting confidence in purchase through public discussion and approval. Access to colective knowledge and different perspectives /opinions on subject of the purchase (validation and social proofing). (<b>Zander, Lu, Chimenti, 2025; Wang, Zhao, Li, 2013; Jiang, Huang, Zhu, Zou, 2022; Chowdhury, 2025; Osmani, 2016</b>)</li> <li>- Access to group leader support - guidance, expertize, communication and negotiation skills and process streamlining</li> <li>- Experiencing positive consumer decision journey – easy platform navigation, conveyent making of group orders / group cart. Easy plugging-in to a group buy. Comfortable, smooth and fast mechanism of collective decision making, convenient voting system. (<b>Zander, Lu, Chimenti, 2025</b>)</li> <li>- Enjoying group buying process. Some may participate in group buying tours combining education, fun and purchasing experience. Thus, specific marketing activities become tailored for with specific customers rather than simply for generic customers. (<b>Zander, Lu, Chimenti, 2025; Osmani, 2016</b>).</li> <li>- Automatic generation of group carts distribution lists for arranging payments and goods distribution.</li> <li>- Availability of discussion boards for specific product / service allowing easy and depersonified arranging of constructive discussions. Function of moderation both by organizers and the platform.</li> <li>- Verifiable and transparent system for control, handling and releasing of funds, with guaranteed return in case of purchase failure. Escrow-type collective account.</li> <li>- Automatized assistance in generating, editing, approval and signing of collective applications and letters (generation of signers' lists from the participants names) and contracts with compound buyer's side (multiple signers on one side). Collective e-mail box for publicly-driven / monitored communication with supplier.</li> <li>- Easy suggesting of supplier alternative (freedom of choice).</li> <li>- Easy branching of the decision alternatives (when purchasers may split due to needs in different products).</li> <li>- Personal data protection by platform.</li> </ul>

	<ul style="list-style-type: none"> <li>- Anonimity (deanonimization to be available only for the group buy organzier, who shall legally and publicly undertake to keep the information in confidence, unless specifically allowed by concerned peers).</li> <li>- Altering asymmetry of available information between buyers and sellers, where collective power is believed to be more powerful than individual's. Shared information of products and brands is commonly deemed more trustful than product reviews, specifically provided by sellers/vendors. Thus, group buys enables consumers decrease individual risks and uncertainty in making buying decisions. Community discussion provides more comprehensive understanding of a product before purchasing. The buyers may discuss authenticity, quality, functions and price, clarify the goods/services features and increase members' clarity and confidence. Peers may even split into task-specific units to elaborate specifications of complex products (housing, energy equipment, repair works, legal services, automobiles). This "shared intelligence" is precious in a developing market infiltrated with substandard goods or copyckat brands. Some participants (besides the leader) may have experience in specific fields and knowledge about the selected product, brand or industry or even market sector, guiding the peers to a correct decision. Some possess experience and business connections allowing to facilitate relations between consumers and firms. Even if a purchase is not entirely aligning with taste or preference of an individual, group buyers are commonly satisfied due to confidence in collectively affirmes choice <b>(Wang, Zhao, Li, 2013; Jiang, Huang, Zhu, Zou, 2022; Osmani, 2016)</b>.</li> <li>- Platforms (third-party) transaction security and guarantee allowing to protect consumer's rights <b>(Wang, Zhao, Li, 2013)</b>.</li> <li>- Getting sense of satisfaction through saving of money through group buy participation – self-identification as savvy, thrifty consumer making smart deals. Psychological shopping focus shifts from "spending to saving", where group buys are perceieved as instruments for countering expenditures and evaluated through to the perceived costs saved. <b>(Wang, Zhao, Li, 2013)</b></li> <li>- Possibility to initiate public defending of interests and rights by the community members <b>(Jiang, Huang, Zhu, Zou, 2022)</b>.</li> <li>- Feeling of empowerment through group bargaining power <b>(Jiang, Huang, Zhu, Zou, 2022)</b>.</li> </ul> <p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>- <i>Slower timing for making the arrangement. Collaborative task is time consuming (Chowdhury, 2025)</i></li> <li>- <i>Different organizational culture leading to hampering of the group buy decision making.</i></li> </ul>
<b>Vendors (including Manufacturers and Service Renderers)</b>	<ul style="list-style-type: none"> <li>- Getting higher revenues and cash-flow transactions – serving solvent customers of larger quantities and volume <b>(Mladenow, Bauer, Strauss, 2015)</b> – as a consequence – generate additional profit margins.</li> <li>- Lower cost of sale – group buyers sales cost is less than individual customer cost per sale due to collective sales volume (serving a group of customers is more cost and time effective compared to serving the same number of individual</li> </ul>

	<p>customers). Group buys allows servicing bigger amount of customers and generate revenues more quickly, as the group buyers are informed and determined to purchase.</p> <ul style="list-style-type: none"> <li>- Building relations with huge amount of organized, smart, determined and active buyers.</li> <li>- Enhancing visibility, reputation and getting Favorable Word-of-Mouth through serving larger community and demonstrating innovative approach to business (Brodie et al., 2013 at <b>Jiang, Huang, Zhu, Zou, 2022</b>).</li> <li>- Availability of designated group leader or a point of contact to discuss organizational issues related to the group buy. Group leaders hold expertise and credibility within buying community, which is highly valuable for transmitting messages and streamlining discussion.</li> <li>- No needs to service accounts receivable (the funding is accumulated by the community before purchase transaction).</li> <li>- Having time to thoughtfully arrange a good offer due to delayed time nature of the group buys.</li> <li>- Tolerance to supplying from remote areas / unpopular physical locations. For, group buyers relationships and benefits are more valuable than convenience, therefore location (physical or geographical limitations) is not critical for making group buys.</li> <li>- Possibility to access explicit product-related opinions (arise during discussion by a community).</li> </ul> <p><i>Risks:</i></p> <ul style="list-style-type: none"> <li>- <i>Higher failure responsibility than working with individual buyers, including tangible consequences and WoM;</i></li> <li>- <i>Big and recognized firms, and well-known brand do not favor reducing prices for the group buyers because they hold their pricing policy at specific levels and fear to harm their other marketing channels or harm image.</i></li> <li>- <i>Increased bargaining power of group buyers may lead to decreasing of unit contribution margins.</i></li> </ul>
<p><b>Manufacturers and Service Renderers (specifically)</b></p>	<ul style="list-style-type: none"> <li>- Business opportunities for SMEs and less known brands – GBP allows access large markets. Group buyers proactively select among various options and compare vendors, which allows less-known firms reaching a large consumer base. To become known among consumers, such firms are willing to engage into group buys. (<b>Mladenow, Bauer, Strauss, 2015; Wang, Zhao, Li, 2013</b>)</li> <li>- Increasing brand awareness on a larger scale for SMEs and less-known brands (they have more less restrictions on pricing policy and are willing to engage into group buys).</li> <li>- Creation of brand/specific supplier consumption group, evolving from the initial purchase group.</li> </ul>

Source: by author, including data adapted from indicated sources

## Consumer Decision Journey (CDJ)

Wang, Zhao, and Li (2013) detail the mechanics of consumer-initiated group buying, where “ad hoc” teams are formed through peer coordination on internet forums. Through deep conversation and collective assessment, these groups jointly determine which products to purchase. The study is significant for tracking behavior through the pre-, during-, and post-purchase phases, noting that these buyers, particularly in Chinese settings, differ from brand communities as they rarely hold clear brand preferences at the outset.

The study by Lin, Tseng, Shirazi, 2022 on the consumer decision journey for the online group buying specify two factors affecting repurchase intention of the online group buying participants, where positive eWoM increases the repurchase intention, while perceived risk decreases it and overall perceived value of the platform leading to the fact that the platform must build operations in a way to reduce the perceived risks. With that, eWoM give the behavioral impetus to repurchase. In this regard, the platform shall “fully consider consumers’ decision processes and take every opportunity to engage them in all stages of the decision journey”. Thus, the CDJ is deemed a double-loop consumer purchase decision process where the platform must develop the “consideration”, “evaluation”, “buying” and “enjoy-advocate-bond” stages.

**Wang, Zhao, Li, 2013 note that** group buyers cooperate in various aspects before, during and after purchases, where group buy, rather than simply being a buying method, becomes a mechanism empowering buyers to leverage shared information and increase negotiating power. In group buys, collaborative approach leverages in-group cohesion benefitting all actors.

Table 3: Consumer decision journey for the bottom-up GBP

	<b>Community value goods / Bulk purchases of costly goods</b>	<b>Group carts</b>
<b>1</b>	“Creation” of specific purchase initiative with suggesting of goods option / supplier with posting of the link and “board announcement”	“Creation” of specific purchase initiative with setting of the purchase time
<b>2</b>	Creation of the “crowd matrix” (registering through name / apartment number etc.)	Creation of the “crowd matrix” (registering through name / apartment number etc.)

<b>3</b>	Optionally: suggesting of alternative suppliers by peers	Collecting a preliminary group cart stating the generic type / qty / brand of goods
<b>4</b>	Discussion of the suggested options within group (Search and evaluation of the information)	After specific time period: reviewing of the group cart and suggesting specific vendors for the goods
<b>5</b>	Negotiation with vendor(s) (through collective applications or a representative)	Contacting vendors to confirm availability and delivery time and mode, getting specific prices list as per platform-specific form
<b>6</b>	Discussion of the goods option after from negotiation with vendors / voting over different options	Acceptance by individual buyer of offers in their part / sending offer acceptance note to the vendor
<b>7</b>	Voting to accept offer / sending offer acceptance note to the vendor	Collecting funds at the escrow account
<b>8</b>	Collecting funds at the escrow account	Sending an electronic application form with number of goods to be confirmed (signed electronically / by e-mail) by vendor
<b>9</b>	Signing a contract with vendor and releasing funds from the escrow account	Releasing of funds and getting goods delivered
<b>10</b>	Getting goods delivered	Filing claims to vendor (if required)
<b>11</b>	Filing applications to vendor for post-sales servicing (if required)	

Source: Data adapted from Mladenow, Bauer, Strauss, 2015 and Wang, Zhao, Li, 2013

## **CHAPTER 6 – SPECIFIC FEATURES AND CHALLENGES OF IN-GROUP INTERACTION AT GROUP BUYING PLATFORM**

The communities are readily available potential group buyers who already have at least one stable thing in common (it could be a workplace, place of living, friendship, acquaintance within a group of interest etc.) and thus they are not prone to dissolving as strangers.

Group buying consumers share information about the purchase, however as a group, they naturally have communications and interaction issues.

Kim, Suh, Lee, 2013 considered 2 potential design components in terms of GBPs, embodiment and media richness, potentially enhance shoppers' experiences, where outlined that co-presence and behavioral engagement are important for sustaining the transactions. Co-presence is the degree of recognition of the presence of other peers and recognizing their emotional state. Behavioral engagement is the degree to which they perceive interdependency, connection, and responsiveness of their peers and group leader. The formation of these features must be accented for the GBP management.

### **Group size effect**

**Speaking of the group size effect onto cooperation in voluntary contribution mechanisms (where parties contribute deliberately) Nosenzo, Quercia, Sefton, 2015 in their study highlighted that** cooperation is highest of all in two-person groups and lowest in eight-person groups, especially In the high marginal per capita return (MPCR) (per capita value gained through cooperation) conditions. In other words, for group carts and bulk purchases where individual purchase value for each participant is high, the frictions on the way to the consensus will increase with the number of buying group – therefore the platform must concentrate on reducing these frictions and facilitate increasing the bulk size and total revenue.

However, instead, the positive group size effect may be more evident in environments that induce low levels of cooperation and low MPRC treatments, where the eight-person groups are significantly more cooperative than four-person groups which may result from the increased social benefits of cooperating in larger groups. In particular, **“when cooperation is low, other factors, such as considerations of the social benefits of contributing (which increase with group size), may dominate any negative group size effect” (Nosenzo, Quercia, Sefton, 2015).**

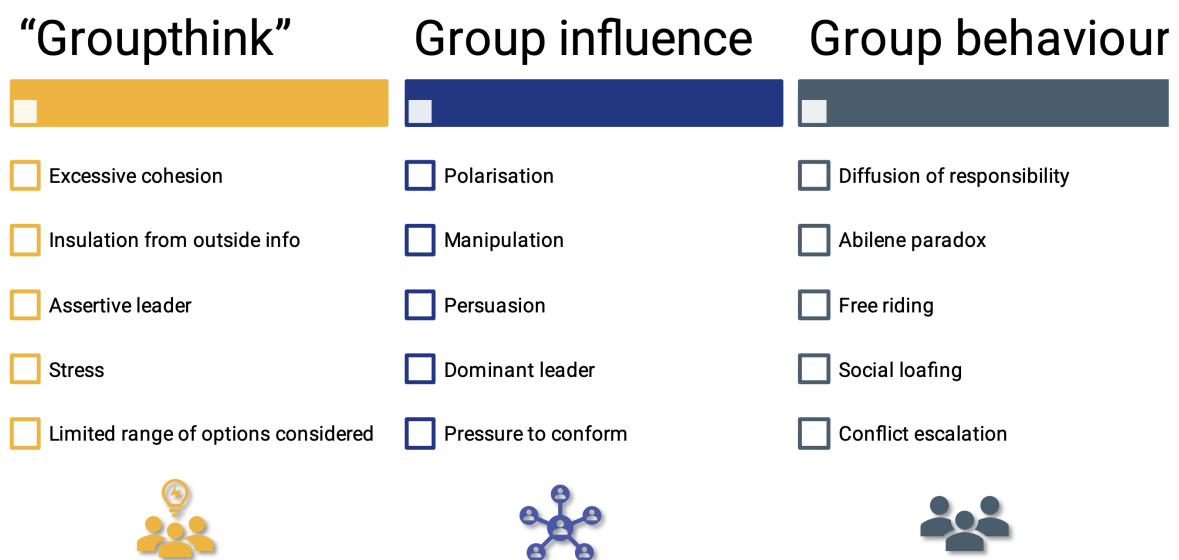
Littlepage, 1991, in research of effect of group size onto group performance concluded that when the peers need just to contribute without much coordination, the group performance increased. However, when high coordination is required during fulfilling of a task, the performance decreased in bigger group. **That means, that the GBP must perform coordination of peers in a scope, as larger, as possible to increase fluence of group purchases, especially those of high contribution margin.**

Also, Littlepage points out on the Steiner's group productivity model, where the productivity fallas along with lossess due to faulty group processes such as coordination and motivational (incl. social loafing) losses, however, this model does not fully consider participation decreases in larger groups. Specifically, performance is closely related to the number of active (functional) participants rather than nominal number of a group. The conclusion is obvious – the bigger the community is, the more free riders there are. Therefore, the platform make system to embrace a given community as completely as possible and involve maximum of its participants, as well as to correctly assess and increase functional group size relatively to size of the whole group, and provide instruments for group leaders to do that.

### Group decision making challenges

Looking at the group-related decision-making issues, supported scientifically, Levarlet, Berton, Paterlini, 2023, provide the exhaustive list of challenges in Figure 5.

Figure 5: Overview of potential challenges of group decision-making.



Source: reprinted from Levarlet, Berton, Paterlini, 2023

In line with this, Osmani, 2016 indicates main pitfalls of the group decision making: groupthink, polarization, effect of common knowledge.

For the groupthink, the less time allocated for the decision, the more it affects the group. **Therefore, the buying group / GBP must allocate enough time for reasonable decision making and discussion.** Also, strict communication rules must be implemented and these shall be monitored by AI, and the groups (moderated by GBP).

The **polarization** means the group decision being more extreme than average individual opinion, it occurs predominantly for new problems or situations or at recently created groups (early lifecycle stage). Polarization can result from social comparison arising from competition between members, in order to support more socially desirable views.

Considering that groupthink, polarization and other interaction challenges are strongly related to personalities and may create aggression, the discussions and votes must be anonymous (Levarlet, Berton, Paterlini, 2023) (no names in discussion chats, only random IDs, which shall be reassigned at each new buying session). Only the group leader / purchase organizer / shall know the real names to arrange distribution of goods. The anonymity undertaking shall be publicly visible and reinstated by the organizer at each buying session. Anonymity allows more dynamic and rich discussions, allowing comfortable sharing viewpoints and evaluating contributions of other members without biases based on the person of opponent. Anonymity within the group also ensures that neither member is allowed to dominate the discussion. Due to anonymity, the positions on an issue can be changed “without being concerned about appearances or peer-pressure issues”. Wegerif et al., 2017 at Levarlet, Berton, Paterlini, 2023 listed general behaviours characterising successful groupthink problem-solving which shall be included to simple discussion policy to be approved by each peer before each buyin session:

- Mutual encouraging each other
- Demonstration of humility
- Clear elaborated explanations
- Equal participation with everyone in the group actively involved in each problem
- Actively seeking agreement from others
- Not moving on until it is clear that all in the group understand
- Open questions
- Demonstartion of warm emotions and rapport
- Willingness to express intuitions
- Indications of mutual respect in tone and responses

- Taking time for solving problems – through granting pauses and detailed clarifications when asked.

Another major problem is the **effect of common knowledge (final decision is guided primarily by common information eventhough when the unique information is provided by participants)**. The common knowledge effect occurs when the situation for which the group counters, is not new. Reduced number of participants possessing unique information and low information reliability increases the effect of common knowledge. If some ideas are based on shared information, the unique ones will be discarded. The common knowledge effect is also highly active for the very important decision. In order to reduce the common knowledge effect, Stasser and Stewart, 1992 at Osmani, 2016 recommend verifying the sources of unique information (to increase the credibility) and allocating more time for the decision-making process. Tindale, Kameda, Hinsz, 2003 at Levarlet, Berton, Paterlini, 2023 note that giving groups a shared norm or processing goal oriented toward “critical thinking”, rather than “consensus building” reduces the common knowledge effect. From other POV, defining specific group members as specific “experts” in particular areas also reduced the common knowledge effect.

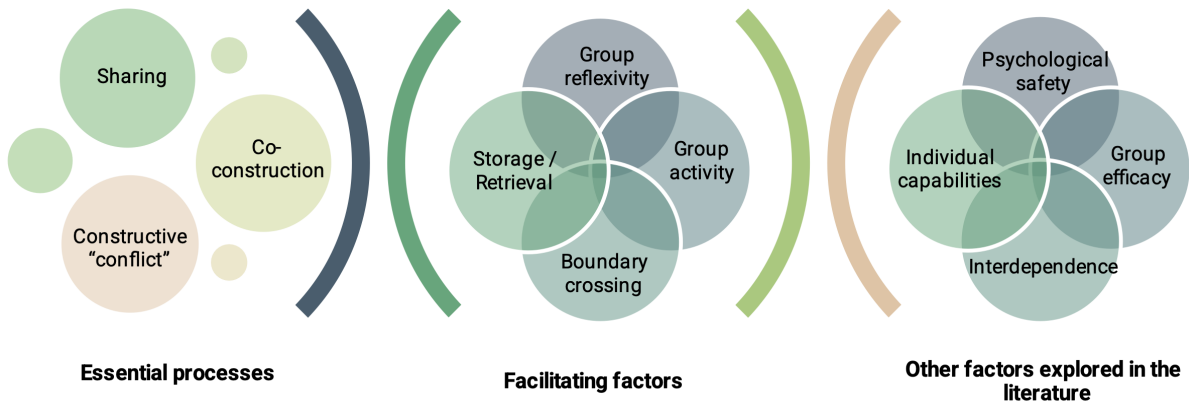
In order to avoid time pressing, the communication in non-located groups must be asynchronous, which, contrary to located groups, allows participants to focus on a wider range of issues, pool more information together, and discuss multiple issues in parallel (Levarlet, Berton, Paterlini, 2023).

Thus, the information assymetry in terns of the common knowledge effect must be eliminated. The effective instruments for effective sharing in terns of GBPs are (Levarlet, Berton, Paterlini, 2023):

- 1) Sharing - communicating knowledge, competencies, opinions or creative thoughts of one team member to other team members;
- 2) Constructive conflict - process of negotiation or dialogue that uncovers diversity in identity, opinion, etc. within the team. This conflict shall be intellectual and respectful. The violators must be banned from the discussions.

Levarlet, Berton, Paterlini, 2023 also comprehensively provide factors affecting group decision making process. The scheme of factors allowing fruitful and healthy decision discussions as applicable to GBP are given in figure 5

Figure 6: Overview of facilitating factors of group decision-making



Source: reprinted from Levarlet, Berton, Paterlini, 2023

Speaking of specific Ukrainian context, Starodubtseva, 2024, suggests the following rules, guidelines to be internalized by the platform algorithms, rules and policies, to project these on the actors and facilitate constructive discussions and decision making within groups at GBP:

- (1) Substantiated and structured argumentation: I defend my opinion based on data, facts, observations, and conclusions, rather than because “I like it this way” or “I feel this way.”
- (2) Conflict identification and resolution: The ability to timely recognize the risk of a conversation turning into a conflict helps to avoid such an outcome, while awareness of conflict resolution strategies provides the necessary toolkit: (a) accommodating; (b) competing; (c) avoiding; (d) compromise; (e) collaborating.
- (3) The ability to ask and answer questions: Identifying constructive, negative, and manipulative questions and how to handle them.
- (4) The ability to speak with and before a group (3+ people): From facilitating conversations to public speaking and explaining concepts both to one’s own team and to complete strangers.
- (5) Giving and receiving feedback: In various forms, with varying degrees of candor, for a specific purpose (evaluative or developmental), and at different levels (person, task, process).
- (6) Cross-cultural interaction: With the team, clients, and partners from different countries.
- (7) Conducting an organized, result-oriented discussion: Principles of organized debates involving the ability to formulate one’s own thoughts and listen to the thoughts of others, no matter how ideologically “triggering” they may be.

To conclude this chapter, among other principles, the following instruments must be used to ensure the constructive discussion at GBP:

- 1) Anonymity (names to be visible to the GBP and group leader (who shall undertake undisclosed obligation));
- 2) Time allocation;
- 3) Algorithms of moderating discussion;
- 4) Developing mechanism for smoothing-out interaction frictions.

## CONCLUSION

The research and development of the innovative Group Buying Platform (GBP) model principles within the Ukrainian context addresses a critical intersection of economic necessity and economic-socio-cultural specificity to manage such groups arising from communities. This study establishes that the prevalent “frontier” economic and societal conditions characterized by high cumulative inflation, disrupted supply chains, and a reliance on horizontal “bubble” networks create a fertile ground for a consumer-initiated (bottom-up), community-centric digital marketplace for group buys. The proposed model principles move beyond traditional vendor-initiated discount schemes to empower established communities, such as multi-apartment building associations, professional collectives, and close-knit social circles, allowing them to monetize their existing social capital and increase obtained values through collective bargaining and purchasing.

The primary research conducted for this project effectively rejected the hypothesis that the target audience is disinterested or culturally reluctant to engage in collective financial arrangements. Instead, the data reveals a pragmatic consumer base driven primarily by economic savings and the desire to solve shared community problems. Crucially, the research identified that the barrier to entry is not a lack of desire to cooperate, but rather the friction of disorganization and the risk of financial loss. Consequently, the “killer feature” of the proposed GBP is the provision of a “Safe Wallet” or escrow mechanism. The survey results indicated that a significant majority of respondents view guaranteed payment safety as a prerequisite for participation, confirming that trust in a transparent, digitally mediated process can successfully substitute for personal trust in strangers, effectively bridging the gap between isolated social “bubbles” and unlocking the potential of the “sharing economy” and collaborative purchasing for personal and public good.

From a business model perspective, the study affirms that the Ukrainian market requires a “Camel” investment strategy rather than a Silicon Valley funds-intensive “Unicorn” approach. This entails prioritizing sustainability, resilience, and controlled growth over rapid cash burn, ensuring the platform can survive in a resource-scarce, war-affected environment, achieving profitability in controlled spurts. The model is defined as a multi-sided digital ecosystem where value is co-created by core players (consumers and the platform) and peripheral players (vendors), managed through a balance of openness and centralized governance to minimize coordination costs. By facilitating “bottom-up” initiatives where consumers actively select and

negotiate with suppliers, the platform shifts market power to the demand side, fostering a more equitable market environment.

Furthermore, the operational principles developed herein emphasize the necessity of mitigating the inherent psychological pitfalls of group dynamics, such as groupthink, the common knowledge effect, and polarization. The integration of AI-driven moderation, anonymity in voting to reduce social pressure, and structured argumentation protocols are essential technological boundary resources required to streamline decision-making and reduce conflict. The platform must function not just as a transactional venue, but as a “System of Systems”, creating a digital infrastructure that supports complex, non-routine and smooth decision-making processes.

Ultimately, the implementation of this innovative model principles serves a triple purpose: further building a specific business model to manage community group buyers, generating tangible economic value for households, and fostering a “culture building” frontier. This study concludes that a Group Buying Platform tailored to established Ukrainian communities is not only a complex but feasible business model but a necessary instrument for economic adaptation and social cohesion in the current economic and societal context.

## APPENDIX

### **Research for Master's Thesis – QUESTIONNAIRE "GROUP BUYING: HOW TO BUY TOGETHER PROFITABLY, CONVENIENTLY AND WITHOUT NERVES"**

#### **SECTION 1 - Introduction**

Hello! My name is Vitalii Natalukha, I am writing a diploma thesis to obtain a master's degree in management.

I noticed how many problems, disputes, and organizational difficulties arise around the self-organization of Ukrainians for joint buying, so within the framework of writing the master's thesis, it became interesting to thoroughly research this specific aspect of our lives with the aim of defining a modern model of a group buying platform.

Regardless of whether you have participated in group buying at all, I am interested in your opinion regarding group buys of various types, where people unite to increase their bargaining power, receive a discount / better goods OR jointly reach an agreement regarding a socially important buy.

The questionnaire is anonymous, so it does not require entering an email or names, and only generalized results will be taken into account in the work itself.

Number of questions: 25. Estimated time - 10-15 min.

For the purposes of this Questionnaire, the concept of "group buying" includes the following:

1. **Buying for the community "by pooling funds"**: something for a social purpose (from household chemicals to ordering gates for the yard, video surveillance, or a shared generator, etc.);
2. **Wholesale one-time orders**: anything valuable for each of the participants – from shoes and construction tools to cars and houses, etc. (yes, such a practice exists!);
3. **Group carts**: daily consumption goods for each of the participants.

This survey will help understand how to make them convenient, acceptable, and easier, and possibly even reveal what we need to finally agree with each other.

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#### **SECTION 2 - Your Experience and Your Community**

**1. Have you ever participated in group buying (jointly "pooling funds" for one item or multiple items for everyone)?**

- Yes
- No

**2. (If "Yes" to question #1) How often does this happen?**

- Regularly (several times a month)
- Quite often (several times a year)
- Rarely (once a year or less)

**3. Which main community are you thinking of when answering questions about group buying? (choose 1-3 options)**

- Condominium association (OSBB) / house / neighborhood chat of an apartment building
- Chat of a dacha cooperative / cottage town / village (private houses)
- Work team
- Parent chat (school / kindergarten)
- Interest / hobby community (forum, group in social networks, offline, etc.)
- Group of friends / relatives
- Specific group buying community
- Other:

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### **SECTION 3 - Benefits and Difficulties of Group Buying**

4. What motivates or could motivate you the most to participate in a group buy, particularly of the joint cart or wholesale buy type?

(Choose 1-3 options)

- Savings (opportunity to get a discount and save money, both on goods/services and on delivery)
- Group bargaining power (opportunity to get better conditions (service, configuration, etc.) that are unavailable to an individual buyer)
- Group support (one can discuss decisions and solve problems together if they arise)
- Convenience (the platform and the group buying organizing person take on the difficulties (voting, logistics, finding a supplier, goods convenient for every buyer))
- Solving a common problem or achieving a common goal (Opportunity to jointly reach an agreement on an important buy, unite "by pooling funds" (for example, choose a generator, or a playground, or a repair service for the group))
- Other:

**5. Imagine that a fundraiser has been announced in your community**

**(building/cooperative, etc.) for a large joint buy (e.g., drilling a well, installing an intercom or gates, etc.). Which behavioral strategy seems most balanced and pragmatic to you?**

- Contribute funds immediately to speed up the solution to the problem
- Wait until a certain part of the participants contribute to make sure the idea "works," and then contribute
- Wait almost until the end, when the item is almost ordered/installed, and contribute money only when there is a 100% guarantee of the result
- Principally do not participate, because this is the duty of the Housing Maintenance Office (ZhEK or ZhKH) / management company / utility service / dacha town administration
- Other:

6. What stops, hinders, or worries you the most regarding participation in group buying, specifically group carts and wholesale orders?

(Choose 1-3 options)

- Distrust of payment: Not ready to transfer money in advance to the personal card of the group buying organizing person

- Conflicts: I don't want to participate in discussions that turn into arguments ("bickering")
- Chaos: The process is unorganized, information (who, what, how much) gets lost in the chat
- Privacy: I don't want other community members to see exactly what I am ordering
- Time: It takes too much time for discussion and waiting
- Disagreement: It is hard to reach an agreement because everyone has different budgets, needs, and tastes
- Don't see the benefit: The savings seem insignificant to me
- Other:

7. For which goods/services in group carts or wholesale one-time orders (where everyone gets their own good/service) are you most ready to unite with others?

(Choose several)

- Food products (e.g., fruits/vegetables, packaged goods, other)
- Household chemicals, hygiene products (wholesale buy)
- Construction and garden goods (e.g., cement, tools, building materials, fertilizers)
- Tech (e.g., lawnmower, power tool, phone, generator)
- Cars of one make (not necessarily model) – to receive a group discount
- Hobby goods (specific or foreign)
- Services (e.g., repair services, plumbing or electrical maintenance, etc., legal services to support group interest, etc.)
- Subscriptions, digital services, shared licenses for programs
- Goods for children
- Other:

**8. When it comes to regular buys (daily or periodic consumption goods, e.g., household chemicals, food, baby food, or pet food, etc.), imagine that a convenient platform for forming a group cart exists. Which position is closer to you?**

- Savings are more important to me: I am ready to plan my buys in advance and wait a limited time for the group cart collection to save as much as possible
- I will plan buying, but still individually, even if it's more expensive. If there is an active collection at the moment of my need — I will join for the sake of the discount. If there is no collection — I won't wait and will buy myself.
- Speed is more important to me: I buy things without planning, when I need them, even if it costs more
- Other:

9. Imagine a situation: funds are being collected in your house/community for a useful thing (e.g., a generator or video surveillance) that everyone will be able to use. Why do you think some of your neighbors might refuse to contribute money, even if they need the item?

(Choose 1-2 most probable reasons)

- They believe that the state or the Housing Maintenance Office/Condominium Association should provide this for the funds already paid
- They are currently in a difficult financial situation
- They do not trust the organization of the collection
- They think: "Others will contribute anyway, the sum will be gathered without me"

- They do not need the specific good/service
- They are principally against any collections
- Other:

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#### **SECTION 4 - Organization of Group Buying**

10. Imagine that you personally do not participate in negotiations with the seller, but completely delegate the agreements to the group buying organizing person. What grounds for trust are most important to you?

(Choose 1-3 options)

- Personal acquaintance (I know this person well personally).
- Reputation/Status (This is a respected person in the community (e.g., head of the Condominium Association, a longtime neighbor)).
- Past successful experience as an organizer.
- Expertise regarding the specific good (e.g., a builder organizing a cement buy).
- Transparency and reporting regarding actions (the organizer provides full reporting (invoices, receipts, screenshots of negotiations)).
- Shared interest: The organizer is also buying this item for themselves ("in the same boat").
- Other:

11. What help do you expect from the group buying organizing person?

(Choose 1-3 options)

- "Creating" a specific group buy to join
- Identifying a reliable supplier of quality goods/services.
- Resolving disputes with the seller if a problem arises.
- Organization of goods delivery.
- Conducting negotiations with the supplier about characteristics and/or a better price (using the "bargaining power" of the group).
- Moderation of the chat and stopping conflicts.
- Other:

12. And what help do you expect from the technological platform (site/app)?

(Choose 1-4 options)

- Guaranteed secure payment (so that money is held until confirmation or returned upon cancellation).
- Automatic, clear formation of the list of who ordered what (group cart with delivery or distribution at a specific point).
- Simple and clear voting for options with convenient moderated discussion (to avoid "heated arguments")
- Notifications only about key actions (start, voting (or selection into cart), payment, delivery/distribution).
- Possibility of anonymous participation in the buy and discussions (to hide one's order from others).
- Ability to easily submit a proposal regarding a supplier/good
- The platform proposing its own verified suppliers / alternative goods
- Other:

13. How ready are you to participate in group buying where the majority of participants are "outsiders" (outside your circles of trust: Condominium Association, colleagues, residents of your courtyard, friends, acquaintances, etc.)?

(You can choose 1 option or more)

- No, in no case (I principally trust only those I know)
- Unlikely (Risks are too high, and I don't believe this can be organized safely)
- Yes, but only under the condition of 100% safety (For example, if money is collected not by a person, but by a platform that "holds" the payment and guarantees a refund)
- Yes, if there are clear rules and strong moderation. (Order is important to me, not personal acquaintance with participants)
- Yes, no problem. (If the benefit (savings) is substantial, it doesn't matter to me who participates).

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## **SECTION 5 - Value of the Work of Human Organizers of Group Buying and the Platform Itself**

**14. Group buying organizing persons spend a lot of personal time organizing group buys. What reward do you consider fair for their human work?**

- Nothing: The group leader also benefits from participating in the group buy
- Reward from the supplier: The supplier should pay the group leader (group buying organizing person), not the participants
- Personal discount: The organizer may not pay for their part of the order
- Fixed fee: I am ready to pay a small fixed fee (e.g., 10-20 UAH per participant)
- Percentage: I am ready to pay a small percentage of my order (e.g., 1-3%)
- Other:

15. Value of the work of the platform itself – imagine a service that automates the organization of group buying: creates convenient discussion, voting, and (in the case of group carts / wholesale one-time buys) forms a clear, itemized list of order distribution to avoid chaos in the chat/group. What fee for this service do you consider fair? (Not including delivery)

- This service should be free.
- A small fixed sum from each buy participant (e.g., 10-20 UAH per participant).
- A small commission (e.g., 0.3% - 2% of the order).
- Hard to say.
- Other:

**16. Value in case of the platform creating a "joint temporary wallet" – Imagine a separate service: the platform conveniently and safely collects funds into a "joint temporary wallet" so that you do not transfer money to the personal card of the group leader (group buying organizing person). What fee for this financial security do you consider fair?**

- This service should be free
- A small fixed sum from each buy participant (e.g., 5-20 UAH)
- A small commission (e.g., 0.5% - 2% of my order)
- Hard to say
- Other:

**17. If the platform takes a small commission but makes the process significantly more convenient and safer, how will this affect your participation?**

- I will participate more often because it removes many risks and problems.
- I will participate the same as now.
- I will participate less often because any commission reduces the final benefit.
- I will not participate because the point is only in maximum savings, regardless of convenience.

**18. Would you take on the role of group leader (group buying organizing person) for specific group buys:**

- Yes, I already have such experience.
- Yes, ready to try if it will be beneficial to the community (buying "by pooling funds").
- Yes, ready to try if it will be beneficial to me personally as a group buy participant (wholesale orders / one-time buys).
- Yes, I am ready for an additional reward / benefit as a group leader (**group buying organizing person**).
- Possibly, but only if the platform makes this process very easy.
- No, it is a big responsibility / I don't want to let people down.
- No, I don't have time for this.
- No, I don't want to deal with this.
- Other:

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**SECTION 6 - Generalized Demographic Information**

**19. Please indicate your age:**

- 18-25
- 26-35
- 36-45
- 46-55
- 56-65
- 66+
- Do not want to answer

**20. Please indicate your gender:**

- Male
- Female
- Do not want to specify

**21. Your current employment status (you can indicate multiple if you combine)**

- Working full-time in an office
- Working full-time remotely
- Working part-time / freelance / self-employed
- Entrepreneur / business owner
- Student
- On maternity leave / parental leave
- Currently not working / pensioner
- Do not want to answer

**22. Your approximate personal income level:**

- Enough only for food
- Enough for food, but need to save on clothes
- Enough for life, but need to save for large buys (tech)
- Can afford large buys, but need to save for a car/apartment
- Can afford practically everything
- Do not want to answer

**23. Size of the settlement where you live:**

- Million-plus city (Kyiv, Kharkiv, Odesa, Dnipro, Lviv)
- Regional center (but not million-plus)
- Other city (district center, small/medium city)
- Town or village

**24. (Optional) What one thing would you like to make convenient in the process of joint buying?**

**25. (Optional) For what specific goods or services did you "chip in"?**

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