Comparison of indicators affecting satisfaction with online group-buying purchases of Generation Y customers in the Czech Republic and Canada[#]

Pavlína Pawlasová[**]

ABSTRACT

The topic of this paper is the comparison of the indicators that affect customer satisfaction with online group-buying purchases in the Czech Republic and Canada. This paper focuses on the consumer behaviour of Generation Y. Social exchange theory was adopted to identify these indicators. Reciprocity, reputation, trust and vendor's creativity can be included among these indicators. The aim of this paper is to identify the indicators affecting customer satisfaction with online group-buying purchases of Generation Y in Canada and the Czech Republic and compare the results. The method of a structural equation modelling is used. The optimal models in Canada and in the Czech Republic are found. The results confirm that trust is the most important indicator for Canadian customers from Generation Y, the same for Czech customers from Generation Y.

Key words: Generation Y; Online Group Buying; Structural Equation Modelling

JEL classification: M31, M37

Introduction

Social commerce containing online group-buying as well became popular all over the world (Turban et al., 2015; Jang et al., 2013; Erdogmus and Cicek, 2011). Group-buying social commerce is defined as a sales method in which a specific product or service is sold at a discounted price when a certain number of potential buyers is reached within a limited time. The required number of buyers reached is the condition of the transaction (Jang et al., 2013; Shiau and Luo, 2012).

This paper focuses on the online group-buying phenomenon in the Czech Republic and Canada. Michl (2013) and Oliveira (2012) state that this topic cannot be omitted in these countries. When Czech people want to buy some discounted thing, online group-buying websites are the third most common place for them to look. According to Michl (2013) the most usual places are leaflets and seasonal sales in shops. Also Canadians prefer a good deal, even more than Americans. According to Oliveira (2012) about 53 percent of Canadians are familiar with at least one online group-buying website — such as the US-based originator Groupon or home-grown competitors like Dealfind, TeamBuy or WagJag. About 42 percent of the Canadians familiar with group-buying websites are signed up to receive daily offers via e-mail. As Pilík (2012) and Oliveira (2012) state both Czech and Canadian customers can be find far more responsible than the customers from the other countries in their spending and

[**] Ing. Pavlína Pawlasová,
    Affiliation: VŠB – Technical University of Ostrava, Faculty of Economics, Department of Marketing and Business, e-mail: pavlina.pawlasova@vsb.cz, Czech Republic

online group-buying is just another way for them to be responsible. Both Czech and Canadian customers can be considered as very conservative customers. These facts show that Czech and Canadian consumer behaviour can be similar but also different according to product or service area. This paper focuses on the online group buying that has never been compared in these countries before.

The typical customer of online group-buying websites is about 18 up to 34 year old (Chytilová, 2015). It means that this customer is a member of Generation Y. Members of Generation Y can be defined such as people who were born between years 1980 and 2000. It is very important to note the year of birth doesn´t have to be the most important. Members of Generation Y is typically people who was influenced by modern information technologies such as mobile phones, computers and internet during their adolescence and later, but using these technologies during their childhood was not usual (Van den Bergh and Behrer, 2011). This paper focuses on the consumers from the Generation Y because it can be expected that these customers can be common customers of online group-buying.

The aim of this paper is to identify the indicators affecting satisfaction of customers from the Generation Y with online group-buying websites in Canada and in the Czech Republic and compare the results. The indicators affecting consumer satisfaction are widely discussed but the focus on consumer satisfaction of Generation Y offer new view on the online group-buying area.

Zamazalová (2009) claims that a high consumer satisfaction rate can increase a consumer loyalty to the service provider significantly. According to Shiau and Luo (2012) consumer satisfaction helps companies to establish long-term relationships with consumers. Bhattacherjee (2001) claims that customer satisfaction together with perceived usefulness of product or service tends to be significant indicators of customer future intentions to continue with purchasing at that particular retailer. Gómez et al. (2004) adds likelihood of repurchase, favourable word of mouth, differences in marginal revenues and marginal costs as result of enhanced satisfaction. Anderson et al. (1994) added more outcomes of satisfied customers such as decrease in price elasticises or the insulation of current customers from competition, lower cost of future transaction, reduce in failure cost and attracting new customers and as last enhancing company´s reputation. Therefore, service providers should try to maximise the user satisfaction with services, products or purchases. Therefore, the quality of service and purchase satisfaction become issues of maximum importance (de Oña et al., 2013).

The indicators affecting online group-buying satisfaction of Generation Y in the Czech Republic and Canada were identified according to social exchange theory (SET) that was applied in Shiau and Luo (2012) for identification of indicators that affect users' satisfaction with online shopping in China. As Erdoğmus and Çiçek (2011) claim that the discount size is one of the most important motivators to participate in the online group buying. The social exchange theory omits this factor but this theory expands possible motivators from another point of view. This approach primarily offers only egoistic perspective that is based on the economic and social exchange theories. According to these theories human behaviour is influenced with expected economic rewards. Altruistic motives are omitted in this paper. However; there is no intention of improving the welfare of other buyers and no expectation of personal returns in online group-buying (Shiau and Luo, 2012).

This paper contains the theoretical base of satisfaction measurement and social exchange theory. The subsequent practical part of the article contains the research methodology and an introduction of the method of structural equation modelling (SEM), which is used to evaluate the indicators in the Czech Republic and Canada. Eventually, the results are described and the

similarities and differences of Czech and Canadian Generation Y customers are presented. This paper also includes a discussion of the results and a conclusion.

Theoretical base of customer satisfaction measurement and social exchange theory

Satisfaction is defined as the difference between consumer expectation and actual satisfaction measured after a purchase (Shiau and Luo, 2012). If we measured satisfaction from the customers´ perspective, the most important is the customers´ perceptions about each indicator characterizing satisfaction. However, it is not only important to know the perceptions about each indicators influencing customer satisfaction but the most important is to determine which indicators have the significant influence on the global assessment of the purchase.

Usually marketing specialists ask customers to express their opinions about the importance of each satisfaction attribute, but it can lead to the erroneous estimation. Respondents can rate some indicators as important even though they have little influence on the overall satisfaction, or they are important only in one of the moments of the assessment, before or after thinking (de Oña et al., 2013). To prevent this erroneous estimation, it is recommended to apply one of the derived methods which determine the importance of the indicators by statistically testing the strength of the relation of the individual indicators with the overall satisfaction (Weinstein, 2000). In Shiau and Luo (2012), Hsu et al. (2014) and Aktepe et al. (2015), there was structural equation modelling recommended in order to measure customer satisfaction.

As was mentioned above, this research applies social exchange theory in order (SET) to explore the indicators related with customer psychology and relation exchange. The indicators that are included in social exchange theory were identified as critical indicators affecting both online shopping and shopping in retail stores. The psychological and consumer behaviour are important for marketing specialists seeking to increase customer satisfaction, loyalty as well as sales rates (Shiau and Luo, 2012).

People and organizations interact to minimize their costs and maximize their rewards according to social exchange theory (Shiau and Luo, 2012). SET also states that persons typically expect reciprocal benefits (namely personal affection, trust and gratitude) and economic returns when they behave according to social norms.

Reciprocity, reputation and trust are indicators influencing customer satisfaction according to SET. We can also add vendor´s creativity and indicators of satisfaction such as pleasure, contentment and delight. Satisfaction, trust and vendor's creativity then influence the intention of buyers to engage in online group buying (Shiau and Luo, 2012). The validated part of the model is black and the invalidated part is grey. See Fig. 1.

Fig. 1: Originally proposed model
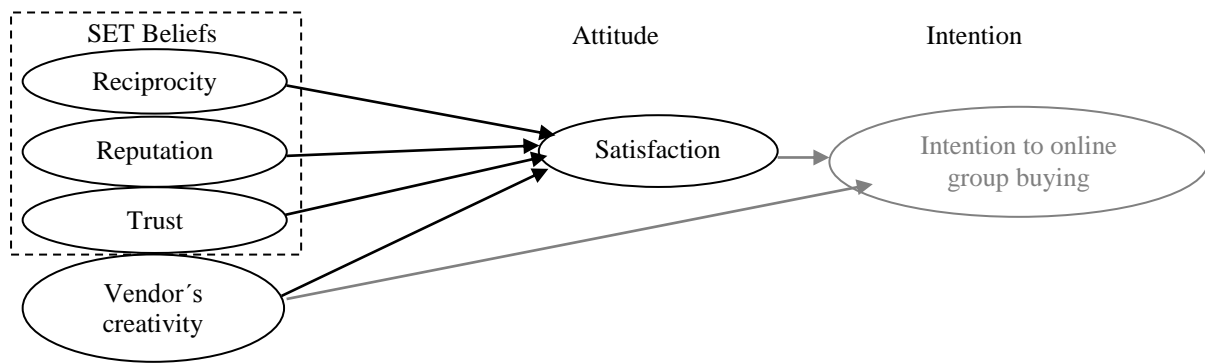
Source: Shiau and Luo (2012)

Reciprocity is frequently explained as quid pro quo behaviour. Reputation is derived from the degree to which a person trusts that social interaction hypothetically enhances personal reputation. Trust refers to the willingness of a party to be vulnerable to the actions of another party based on the probability that the other will perform a particular action significant to the trustor, irrespective of the ability to monitor or control that other party. Creativity can be described with creative products. These are often characterized by originality and suitability; otherwise, we consider them as general products. Creative products also have an expected competitive advantage (Shiau and Luo, 2012).

Research methodology

The purpose of this research was the identification of indicators influencing satisfaction of customers from Generation Y with online group-buying in the Czech Republic and in Canada. The indicators of SET increased with vendor's creativity were used.

The data were obtained in primary research, namely online questioning conducted in September 2014 in the Czech Republic and in February 2015 in Canada. This data collection method was preferred because of its connection with the research area. The population was all online group-buying websites users from Generation Y, meaning everyone who has ever bought at these websites and who was born between 1980 and 2000. The sample consisted of 105 Czech and 398 Canadian respondents from Generation Y. The quota sampling was applied according to Český statistický úřad (2014), Eurostat (2014), Canada's central statistical office (2012) and Canada's central statistical office (2014). The structure of the sample was similar to the structure of the customers of online group-buying websites in both countries and the control variables were frequency of online group-buying purchases, gender and education. See Tab. 1.

Tab. 1: Structure of Czech and Canadian Generation Y sample of respondents

Frequency of online group-buying purchases		Gender		Education	
Czech Generation Y sample of respondents					
Once a fortnight	4.8 %	Man	40.3%	Primary	7.9 %
Once a month	47.7 %	Woman	59.7 %	High school	31.4 %
Quarterly	34.8 %	Total	100.0 %	University	60.7 %
Less often	12.7 %			Total	100.0 %
Total	100.0 %				

Canadian Generation Y sample of respondents					
Once a fortnight	8.3 %	Man	45.7%	Primary	5.8 %
Once a month	53.4 %	Woman	54.3 %	High school	46.1 %
Quarterly	27.5 %	Total	100.0 %	University	48.1 %
Less often	10.8 %			Total	100.0 %
Total	100.0 %				

Source: Author´s calculation.

The all of questions in the questionnaire were the closed questions. The respondents also expressed their satisfaction regarding to the statements using a Likert scale of 1 to 5, where 1 corresponded to a positive statement and 5 corresponded to a negative statement. The statements about the indicators influencing satisfaction with online group-buying were inspired by Shiau and Luo (2012). The data that was measured on the Likert scale was qualified as interval variables. A method of structural equation modelling (SEM) was used to evaluate the designed models for behaviour of Canadian and Czech members of Generation Y on the online group-buying websites. These results were compared.

The displayed values of the standardised regression coefficients and goodness-of-fit indexes were calculated in SPSS 20 and SPSS Amos 20 at the significance level of 0.05.

Structural equation modelling

Structural equation modelling (SEM) is a method which permits to describe latent constructs really performing in such a phenomenon in which are some latent indicators due to the respondent subjectivity. SEM is comparable to the regression modelling but it is more advanced (de Oña et al., 2013). A general structural model consists of two parts. These parts are a measurement model and a structural model; see Nachtigall et al. (2003).

A *measurement model* explains the relations between the observed and the latent variables. If the latent variable is defined by several observed variables it is called an indicator. The measurement model does not infer the residual segment of the variance. The residual variance can be considered as an unobserved variable (Urbánek, 2000).

A measurement model can be algebraically defined as two systems of equations in matrix form (de Oña et al., 2013):

$$\vec{x} = \Lambda_x \vec{\xi} + \vec{\delta}, \tag{1}$$

$$\vec{y} = \Lambda_y \vec{\eta} + \vec{\varepsilon}, \tag{2}$$

where $\vec{x}$ is the vector of the indicator for the vector of unobserved variable $\vec{\xi}$, $\vec{y}$ shows the vector of the indicator for the vector of unobserved variable $\vec{\eta}$, $\vec{\xi}$ shows the vector for the unobserved exogenous variable, $\vec{\eta}$ stands for the vector for the unobserved endogenous variable, Λ_x and Λ_y are the matrixes of the structural coefficients for the relations of variables' vectors $\vec{x}$ and $\vec{\xi}$ and variables $\vec{y}$ and $\vec{\eta}$, and $\vec{\delta}$ and $\vec{\varepsilon}$ are the vectors of residual variables for the vectors $\vec{x}$ and $\vec{y}$.

A *structural model* defines the relations between the latent variables. This model determines which unobserved variable is independent (exogenous) and which unobserved variable is dependent (endogenous). The exogenous variable is the variable not affected by any of the independent variables, whilst the endogenous variable is affected by other

variables. The structural model can be algebraically interpreted as follows (de Oña et al., 2013):

$$\vec{\eta} = B\vec{\eta} + \Gamma\vec{\xi} + \vec{\zeta}, \tag{3}$$

where B and Γ are the matrixes of the structural coefficients of the unobserved endogenous (exogenous) variables and $\vec{\zeta}$ are the measurement errors.

The *validity of the designed model* can be tested by multiple chi-squared tests. CFI, NFI and Cronbach´s Alpha were applied in this paper. The rate of change of a conditional mean is understood as a regression coefficient. Standardized regression coefficients should take values of 0.5 and higher if the relations between the variables are important (Hair et al., 2010).

The comparative fit index (CFI) can be algebraically interpreted as

$$CFI = \frac{P_N}{P_{N_b}}, \tag{4}$$

where P_N and P_{N_b} are the parameters of noncentrality for the estimated and the basic model. The estimated model expresses the tested proposed model and the basic model expresses the null model in which the unobserved variables do not correlate. The CFI should be close to 1.000 for the optimal model. This index does not vary much with the sample size (Urbánek, 2000).

The normed fit index (NFI) can be interpreted as

$$NFI = 1 - \frac{F}{F_b}, \tag{5}$$

where F is the minimum value of the loss function for the estimated model and F_b is the value of the loss function as the minimum for the basic model (Urbánek, 2000). The NFI index should also be close to 1.000 (Hooper et al., 2008).

Model analysis and results

First the variables in the original model are specified in this part of paper, and then the optimal model and the validation of this model are described. Validation consists of the validation of the measurement model and the validation of the structural model as well as the evaluation of the goodness-of-fit indexes.

Variables in the original models

There were 26 variables in the originally proposed models. The number of the observed variables was 21, number of latent variables was 26, including 21 residual variables. Following Tab. 2 shows variables in the originally proposed models.

Tab. 2: Variables of the structural equation model

Type of variable	Label of variable	Name of variable in the model
Observed variables	Q37 – Q41	Reciprocity
	Q42 – Q46	Reputation
	Q47 - Q49	Trust
	Q50 – Q53	Vendor´s creativity

	Q54 – Q57	Satisfaction
Unobserved variables	Reciprocity	Reciprocity
	Reputation	Reputation
	Trust	Trust
	Vendor´s creativity	Vendor´s creativity
	Satisfaction	Satisfaction
Residual variables	e1 – e21	

Source: Author´s calculation.

The latent variable *Reciprocity* is created by the observed variables Q37–Q41. These observed variables express the belief that sharing information with an online group buying vendor will lead to future requests for knowledge being met. To be detailed, the following indicators were evaluated:

Q37 when I share my information about online group buying, I believe that I will receive other information from online group buying vendors,
Q38 when I share my information about online group buying, I expect to receive the response that I need from online group buying vendors,
Q39 when I share my information about online group buying, I believe that my queries for information on online group buying vendors will be answered in future,
Q40 I find that my participation in the sharing of information about online group buying can be advantageous to me and from online group buying vendors,
Q41 I think that participating in the sharing of information on online group buying vendors can improve the reciprocal benefit.

The second latent variable, Reputation, is created by five observed variables, Q42–Q46. The respondents expressed whether the feeling of an increase in reputation is due to the sharing of information on an online group buying vendor. Specifically, we measured the respondents' perceptions about the following:

Q42 sharing my information on online group buying vendors improves my image,
Q43 people in our life who share their information on online group buying have more prestige than those who do not,
Q44 sharing my information on online group buying vendors improves others' recognition of me,
Q45 I earn respect from others by sharing my information on online group buying vendors,
Q46 sharing my information about online group buying would enhance my personal reputation regarding online group buying vendors.

The third latent variable, *Trust*, is created by the observed variables Q47–Q49. These observed variables evaluate trust; trust is a consumer's confident belief in online group buying vendors' honesty towards the consumer. Specifically, the following indicators were measured:

Q47 online group buying gives me a feeling of trust,
Q48 I have trust in online group buying vendors,
Q49 the online group buying vendor gives me a trustworthy impression.

Another variable, *Vendors' creativity*, is created by four observed variables, Q50–Q53. These observed variables evaluate the vendors' creativity, which involves coming up with new ideas and new products to meet consumers' demands. To be detailed, we evaluated the respondents' perceptions about the following:

Q50 the online group buying vendor suggests new product ideas,

Q51 the online group buying vendor often has new ideas about how to promote products,

Q52 the online group buying vendor often has a new approach to sell products,

Q53 the online group buying vendor develops new ways to meet consumer demands.

The last latent variable, *Satisfaction*, is created by four observed variables, Q54–Q57. We investigated the consumers´ perceptions about prior shopping experience with online group buying vendors. To be precise, the following indicators were evaluated by the respondents:

Q54 I feel very satisfied with my overall shopping experience with online group buying vendors,

Q55 I feel very pleased with my overall shopping experience with online group buying vendors,

Q56 I feel very contented with my overall shopping experience with online group buying vendors,

Q57 I feel absolutely delighted with my overall shopping experience with online group buying vendors.

The original models including the variables mentioned above were tested for the Canadian and the Czech customer behaviour first. It was found the models are not optimal for describing of customer behaviour of the members of the Czech and the Canadian Generation Y on online group-buying websites. Thus the number of variables was reduced in order to optimise the models. It means that statistically unreliable and insignificant variables were excluded from the models. These were all observed variables creating the latent variable *Reputation*, all observed variables creating the latent variable *Reciprocity* and all observed variables creating the latent variable *Vendor´s creativity* and also the observed variable '*Online group-buying gives me a feeling of trust*' (Q47) was excluded from the original model because of too high significance level. As was found in the process of model optimisation, also variables '*I feel absolutely delighted with my overall shopping experience with online group-buying vendors*' (Q57) had to be excluded from the model because the model with these variables had too low values of goodness-of-fit indexes. It can be considered that these indicators are not significantly important for the satisfaction of the Canadian and the Czech customers from Generation Y.

Variables in the optimal models

There were 5 observed variables and 7 latent variables including 5 residual variables in each optimal model. The following Tab. 3 shows the variables in the tested models.

Tab. 3: Variables of the tested models

Type of variable	Name of variable in the model
Observed variables	Q48 - Q49
	Q54 – Q56
Latent variables	Trust
	Satisfaction
Residual variables	e1 – e5

Source: Author´s calculation.

The first latent variable *Trust* is created by the observed variables Q48 – Q49. It means:

Q48   I have trust in online group-buying vendors,

Q49   the online group-buying vendor gives me a trustworthy impression.

The second latent variable *Satisfaction* is measured by three observed variables Q54 – Q56, namely:

Q54   I feel very satisfied with my overall shopping experience on online group-buying vendors,

Q55   I feel very pleased with my overall shopping experience on online group-buying vendors,

Q56   I feel very contented with my overall shopping experience on online group-buying vendors.

Validity of models

Fig. 2 shows the relations between the variables in the measurement model according to (1) and (2) and the relations between the variables in the structural model according to (3) for consumer behaviour of Canadian Generation Y members on the online group-buying websites.
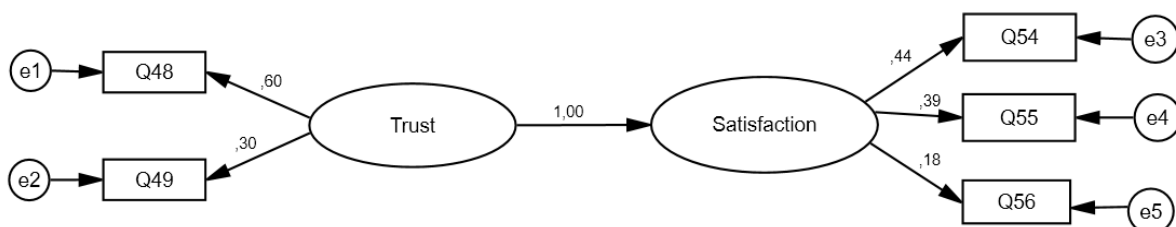
Fig. 2: Standardised regression coefficients of the measurement and the structural model (Canada)
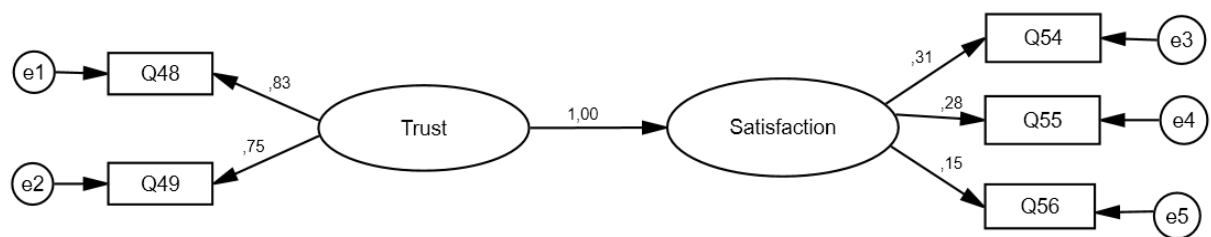
Source: Author´s calculation.

Fig. 3 shows the relations between the variables in the measurement model according to (1) and (2) and the relations between the variables in the structural model according to (3) for consumer behaviour of Czech Generation Y members on the online group-buying websites.

Fig. 3: Standardised regression coefficients of the measurement and the structural model (the Czech Republic)

Source: Author´s calculation.

Validity of measurement models

The relations between the observed and the latent variables in the measurement model were calculated. Following Tab. 4 shows the values of the standardised regression coefficients in the measurement model for Canadian online group-buying users from Generation Y.

Tab. 4: Values of standardised regression coefficients in the measurement model (Canada)

Latent variable	Observed variable	Significance	Standardised regression coefficients
Trust	I have trust in online group-buying vendors (Q48)	0.000	0.825
	The online group-buying vendor gives me a trustworthy impression (Q49)	0.000	0. 754
Satisfaction	I feel very satisfied with my overall shopping experience on online group-buying vendors (Q54)	0.000	0.308
	I feel very pleased with my overall shopping experience on online group-buying vendors (Q55)	0.000	0.284
	I feel very contented with my overall shopping experience on online group-buying vendors (Q56)	0.000	0.152

Source: Author´s calculation.

Following Tab. 5 shows the values of the standardised regression coefficients in the measurement model for Czech online group-buying users from Generation Y.

Tab. 5: Values of standardised regression coefficients in the measurement model (the Czech Republic)

Latent variable	Observed variable	Significance	Standardised regression coefficients
Trust	I have trust in online group-buying vendors (Q48)	0.000	0.598
	The online group-buying vendor gives me a trustworthy impression (Q49)	0.000	0. 304
Satisfaction	I feel very satisfied with my overall shopping experience on online group-buying vendors (Q54)	0.000	0.439
	I feel very pleased with my overall shopping experience on online group-buying vendors (Q55)	0.000	0.387
	I feel very contented with my overall shopping experience on online group-buying vendors (Q56)	0.000	0.176

Source: Author´s calculation.

All observed variables in the measurement models are statistically reliable at the significance level of 0.05. See Tab. 4 and Tab. 5. If we consider 0.5 as the minimum value for a significant relation between variables, all the tested variables measuring the latent variable *Trust* are

significant for Canadian customers from Generation Y. Their actual values of standardised regression coefficients are higher than 0.7 but lower than 0.9, so the impacts of these variables '*I have trust in online group-buying vendors*' (Q48) and '*The online group-buying vendor gives me a trustworthy impression*' (Q49) on the latent variable *Trust* are strong. These are the variables with the most important impact to the Canadian customer behaviour from Generation Y on the online group-buying websites. For the Czech customers from Generation Y, the variables '*I have trust in online group-buying vendors*' (Q48) and '*The online group-buying vendor gives me a trustworthy impression*' (Q49) have weaker impact on the latent variable *Trust*. Namely the impact of the variable '*I have trust in online group-buying vendors*' (Q48) is medium and the impact of the variable '*The online group-buying vendor gives me a trustworthy impression*' (Q49) is weak.

In the models for the Canadian as well as the Czech consumer behaviour from Generation Y on the online group-buying, there are also three observed variables measuring the latent variable *Satisfaction* with weak relation to this latent variable. Their actual values of standardised regression coefficients are lower than 0.5 and these are variable '*I feel very satisfied with my overall shopping experience on online group-buying vendors*' (Q54), '*I feel very pleased with my overall shopping experience on online group-buying vendors*' (Q55) and '*I feel very contented with my overall shopping experience on online group-buying vendors*' (Q56). Their impact on the latent variable is weak.

Validity of the structural models

The relations between the latent endogenous and the latent exogenous variable in the structural models were calculated. The following Tab. 6 shows the values of the standardised regression coefficients in the Canadian and Czech structural models.

Tab. 6: Values of standardised regression coefficients in the structural models (Canada and the Czech Republic)

Latent endogenous variable	Latent exogenous variable	Significance	Standardized regression coefficients
Satisfaction	Trust	0.000	1.000

Source: Author´s calculation.

If we consider the significance level of 0.05, the relation between the latent variable *Trust* and the latent variable *Satisfaction* is statistically reliable. The variable *Trust* is the most important indicator affecting customers satisfaction of Canadian and Czech members of Generation Y with online group-buying purchases. The relation between the variables *Trust* and *Satisfaction* is very strong.

Goodness-of-fit indexes of the proposed models

The comparative fit index (CFI) and the normed fit index (NFI) were applied to validate the proposed models. The internal consistency as reliability was measured by Cronbach´s Alpha. The CFI and the NFI show that the proposed model is optimal; see Tab. 7. The CFI index was calculated as (4) and the NFI index was calculated as (5) in SPSS Amos 20.

Tab. 7: Values of CFI and NFI for the tested models

Model	CFI	NFI
Default model (Canada)	0.979	0.928
Default model (the Czech Republic)	0.998	0.845

Source: Author´s calculation.

The CFI of the Canadian tested model takes the value of 0.979. This is a very high value. The CFI of the Czech tested model takes the value of 0.998. This is also a very high value. In addition, the NFI which takes the value of 0.928 for the model of Canadian Generation Y customer behaviour and 0.845 for the Czech Generation Y customer behaviour model shows that the both models are optimal and cannot be improved. According to the NFI, the proposed models fit the real Canadian data with a score of 93 % and the Czech real data with a score of 85 %. All these used indexes confirmed that these models are optimal. It means that there are just small possibilities to improve the models and these possibilities can be measured by residual variables. It would be necessary to conduct new research in this case.

Discussion about the indicators affecting satisfaction with online group-buying purchases of Czech and Canadian members of Generation Y

Satisfaction of Czech Generation Y customers with online group-buying purchases is affected the most by trust. Trust is the most important indicator of satisfaction also for Canadian customers of online group-buying websites from Generation Y. It was found that both Czech and Canadian customers from Generation Y have to have trust in online group-buying vendors and the online group-buying vendor has to give them a trustworthy impression. These are the most important indicators affecting satisfaction of Czech and Canadian customers from Generation Y according to social exchange theory. That is why online group-buying vendors in both countries should increase buyers' trust in this method of buying. It is possible to recommend money refunds if there is a problem with the service, insurance for vouchers or the possibility to withdraw from the contract after a longer period than 14 days. The providers can also set up security gates for payment, certificates of quality and secure certificates and they can become members of associations of online group-buying. Except this similarity, Canadian and Czech customers from Generation Y claim that reputation, vendor´s creativity and reciprocity are not important indicators for them. It indicate that customers from these countries are more introvert, conservative and less grouped.

Limitations of the research

The potential limitations of this conducted research lie in the generation restriction. Generation Y members are only a part of the population and therefore the results cannot be considered as general results. The applying of the social exchange theory can indicate another potential limitation. There are also the other motivators to participate in online group buying¨. Therefore, it is recommended to apply another theoretical base to identify other important indicators. It can be e. g. social capital theory, theory of planned behaviour or DeLone and McLean information success model.

Conclusion

This paper focuses on the indicators affecting customer satisfaction of customers from the Generation Y with online group-buying purchases. First, the indicators influencing

customers satisfaction with online group-buying purchases of the members of Generation Y in Canada and in the Czech Republic are identified and then the comparison of the results is conducted. Social exchange theory was used to identify these indicators. The indicators reciprocity, reputation and trust are groups of variables that affect customers satisfaction with online group-buying according to this theory. According to the literature review these indicators coming from this theory can be extended with the vendor's creativity.

The aim of this paper is to identify the indicators affecting customers satisfaction with online group-buying purchases in Canada and in the Czech Republic. This paper includes the theoretical base of online group-buying as well as social exchange theory, which is the base of the tested model. A structural equation modelling was conducted to evaluate the proposed model in the Canadian and the Czech conditions of Generation Y and find the optimal model with the most significant indicators. The theoretical background of this method and also forms are the part of this paper.

This research demonstrates that the trust is the most important indicator affecting customer satisfaction with online group-buying purchases of members of Generation Y from the Czech Republic and Canada. Czech and Canadian customers from Generation Y also agree that reciprocity, vendor´s creativity and reputation are not important for them.

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