

### Background

- Created in 2005 by Tim O'Riordan
- \$50 million in capital first round of funds
- "Think Vine" Facebook App
- Member Bill of Rights
- Local operations within 10 miles in cities
- Case analysis: 100 million members, almost 500 markets in 22 countries across 8 continents

### Strengths S.W.O.T

- 100+ Franchises
- International presence, large brand name
- Entrepreneur & Consumer leader in 20% of industry
- Stable, do not require a certain number of customers to start
- Marketing is "local" they focus with limited marketing budgets
- LivingSocial members, consumers, "on the move"
- Members in packs before the consumer sees deal
- Don't see need for extraordinary amounts of funds

### S.W.O.T Weaknesses

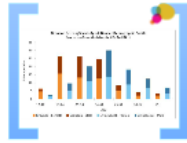
- Low international brand awareness
- Want to expand geographically, but the profit is unclear
- 1 of 3 consumers return (also Opportunity)
- Have many ReferralSource Deals (RFID)

### Opportunities S.W.O.T

- Large markets & bigger businesses
- Target market of 100 million
- Cheaper deals
- Repeat in time
- More marketing per deal

### Threats S.W.O.T

- Groupon & local competition
- Yipit.com
- Merchants creating their own deals



### Alternative

Advertising that highlights the advantages of LivingSocial over Groupon.

Advantages:

- Over 100 million consumers on one LivingSocial user Group

Disadvantages:

- The focus on consumers of Groupon
- Does not specifically target the young customer

### Critical Factors

It is hard to determine if a location will be profitable.

### Critical Factors

Most buyers are one time customers. Only 1 in 3 consumers will repeat the purchase.

### Critical Factors

LivingSocial is prominently in the East, therefore they are missing opportunities in the West.

### Critical Factors

The majority of LivingSocial consumers are above the age of 35.

### Competition

- Groupon
- Increased Local Competition

### Problem

In contrast to Groupon, LivingSocial is lacking a relationship with the young consumers.

### Alternative

Focus solely on geographic expansion to the West.

Advantages:

- Very possible revenue
- More revenue
- More consumers using from Groupon

Disadvantages:

- Need to determine profitable location
- Franchise already established by Groupon

### Alternative

Partner with larger merchants like Amazon, Home Depot, etc.

Advantages:

- Build on the success of established brands
- Expansion from local deals to national and international deals
- Successful in the past

Disadvantages:

- Already established brands are well set up for LivingSocial as a means of promotion

### Alternative

Combine with Groupon

Advantages:

- 100% of industry
- Expansion in deals
- More consumers and a larger geographic audience

Disadvantages:

- Already successful, established brands
- Need to determine management structure

### Opportunity to Advertise

|   | Yes  | No |
|---|------|----|
| Product of interest, value, product quality | 100% | 0% |
| Product Quality                             | 100% | 0% |
| Ability to meet customers                   | 100% | 0% |
| Service beyond price                        | 100% | 0% |
| Customer Feedback                           | 100% | 0% |
| Company Branding                            | 100% | 0% |
| Personnel Qualities                         | 100% | 0% |
| Advertising Costs                           | 100% | 0% |
| Marketing Time                              | 100% | 0% |

### Focus, Conc., & Belief

High Incentive Product

Feel → Think → Do

### The Solution

Increase the amount of inexpensive deals geared towards a younger demographic and create an advertising campaign that targets 18-34 age range.

"Youth is Fleeting and so is Your Paycheck"

### TV Commercial

"Full Price isn't half the fun!"

### Social Media

### Number 3

### Number 2

### Number 1

### Print Ads

YOU'RE HERE! YOU'RE THERE!

### Category Selection

### Example Deal

### Frequent Buyer

### Gift Cards

### Budget

TheCaseSolutions.com



What's the Deal  
with LivingSocial?



## Strengths

# S.W.O.T

- Me + 3 = Free
- International expansion, kept brand name
- Livingsocial & Groupon make up 80% of industry
- Deals do not require a certain number of consumers to act
- Merchants are small businesses with limited marketing resources
- Livingsocial motivates consumers "on the fence"
- Money in pocket before the consumer uses deal
- Does not send out overwhelming amount of emails

# S.W.O.T



## Threats

- Groupon & local competition
- Yipit.com
- Merchants creating their own deals



[TheCaseSolutions.com](http://TheCaseSolutions.com)

# Critical Factors

## Number 2



The majority of Livingsocial consumers are above the age of 35.

# Critical Factors

## Number 4



Most buyers are one time customers.  
Only 1 in 5 consumers will repeat the purchase.

# Frequent Buyer



Redeem Deal

1

2

*Dine Again. Deal Again.*

livingsocial + 

Frequent Buyer's Card

TheCaseSolutions.com

3

4

Receive Same Deal



# Budget

