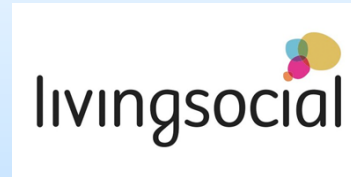


Report on Daily Deals

April 2012

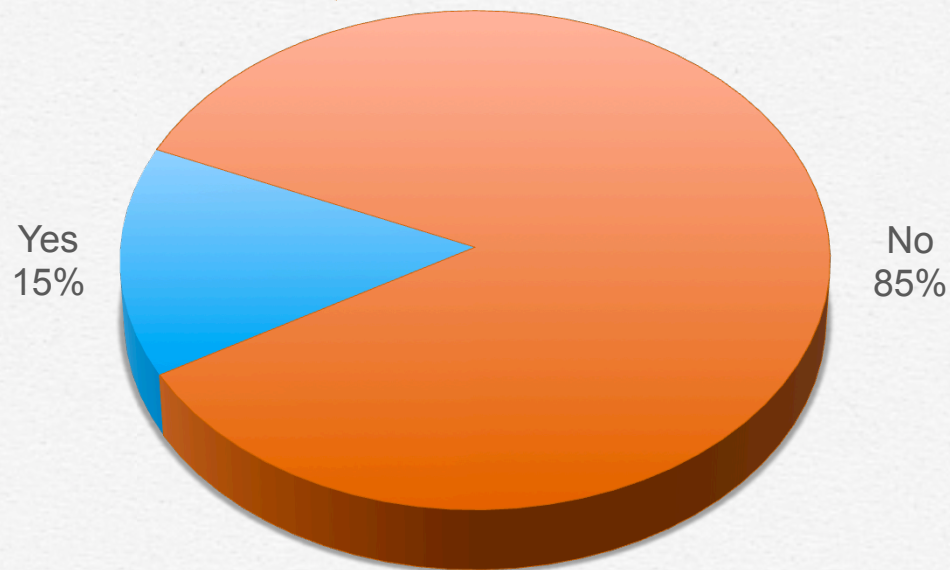


Methodology

- In January/February 2012, Edison Research and Arbitron conducted a national telephone survey offered in both English and Spanish language (landline and mobile phone) of 2,020 people aged 12 and over
- Data were weighted to national 12+ population figures
- This is the 20th study in this series, dating to 1998

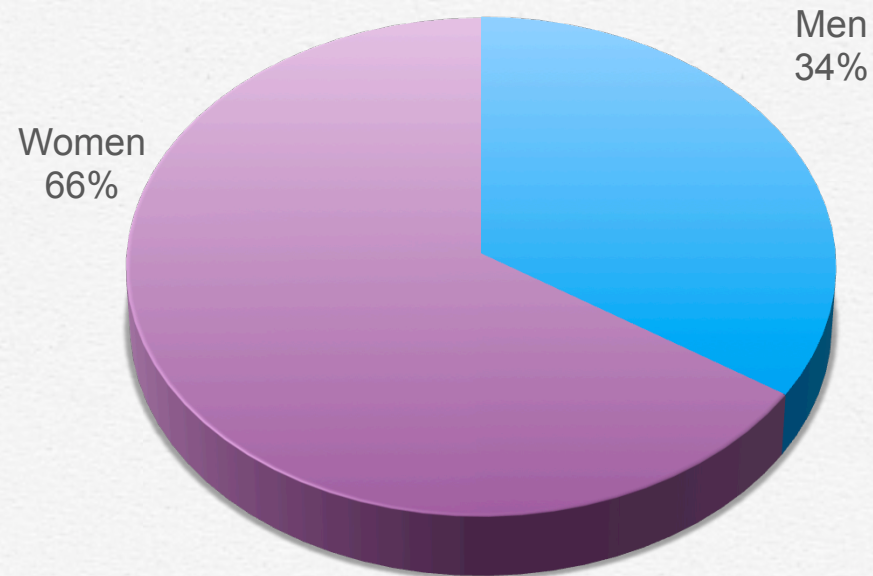
Nearly one-sixth of Americans 12+ are registered users of at least one “Daily Deals” service

“Are you a registered user of any ‘daily deals’ sites or services such as Groupon or LivingSocial?”



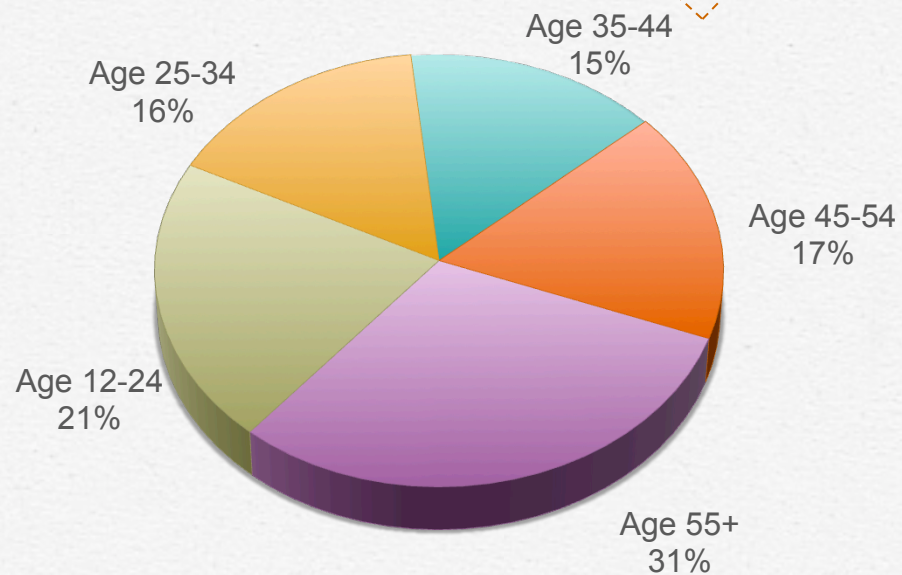
Women are much more likely to use Daily Deals services

Composition of “daily deals” users

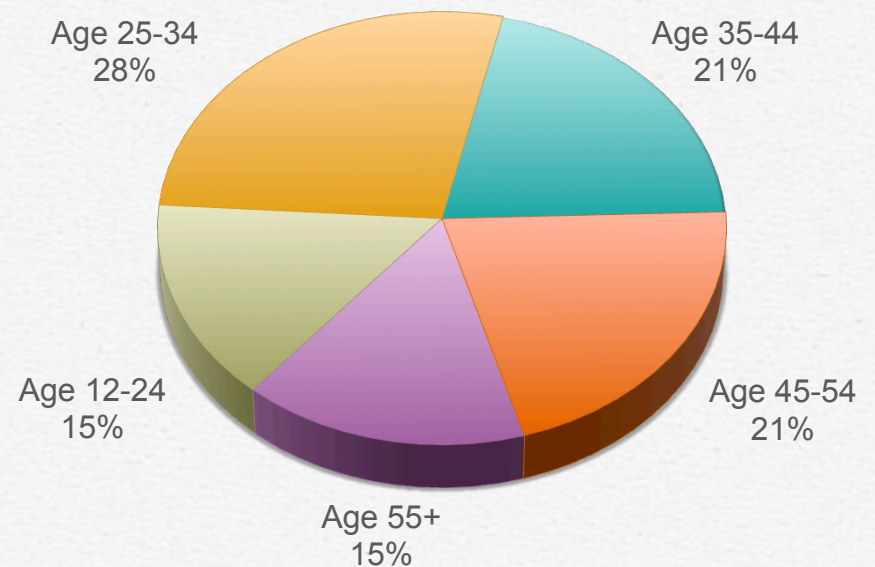


Daily Deals users are concentrated 25-54

Age Composition



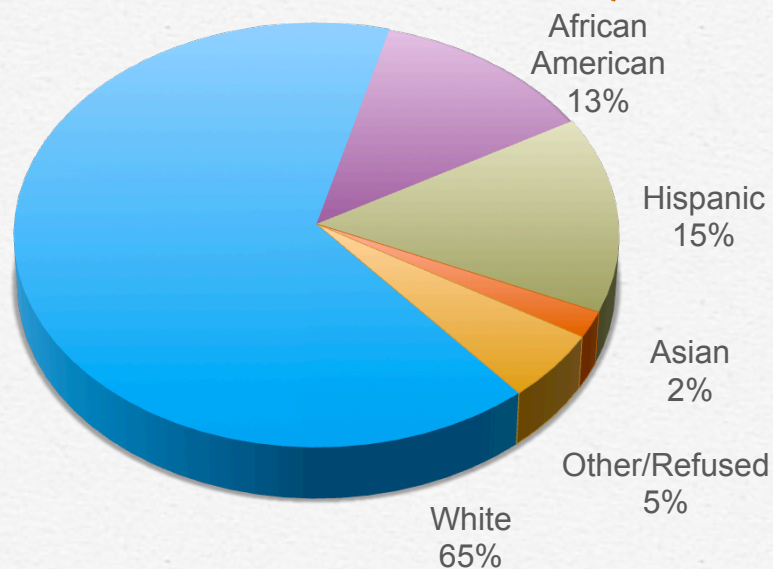
U.S. Population 12+



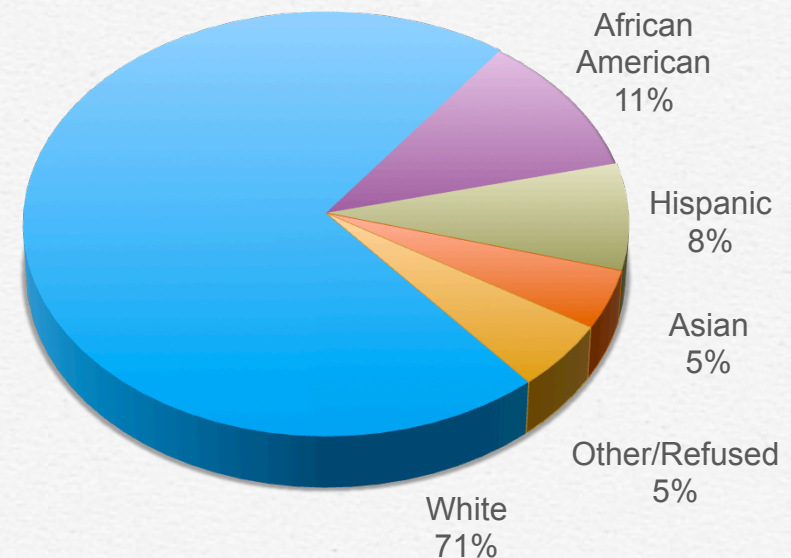
Daily Deals users

A growth opportunity for Daily Deals services may exist in the Hispanic market

Ethnic Composition



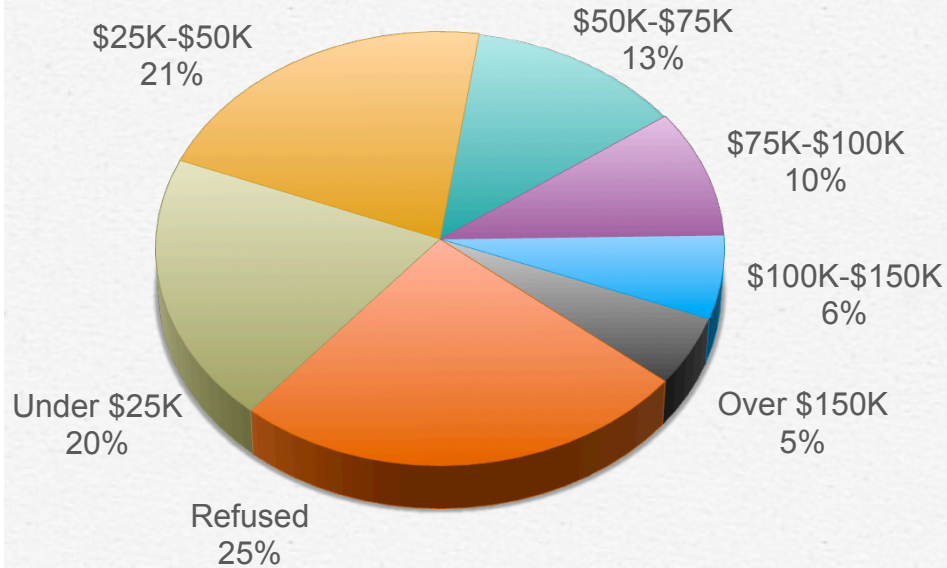
U.S. Population 12+



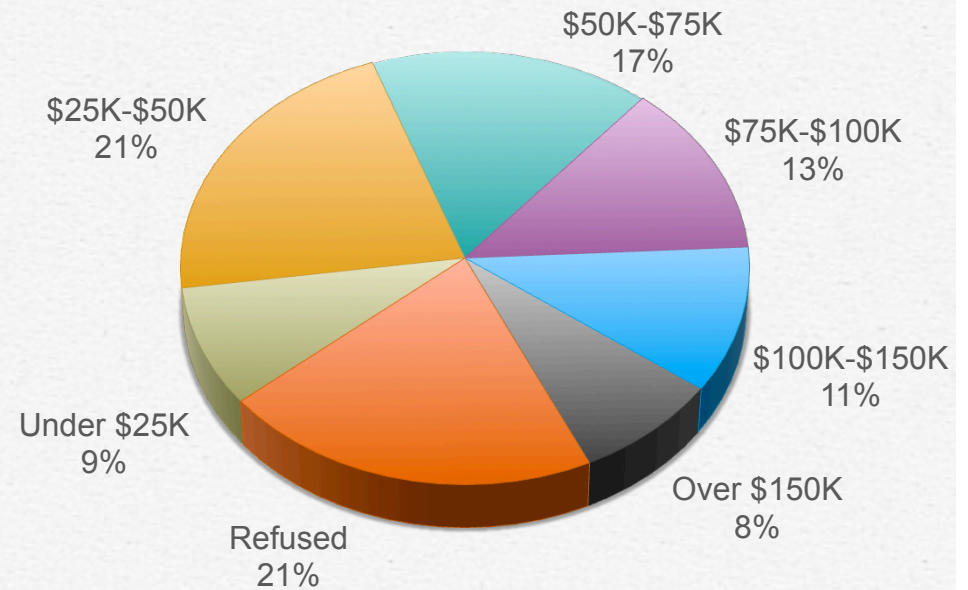
Daily Deals users

Household income among Daily Deals users is higher

2011 Household Income



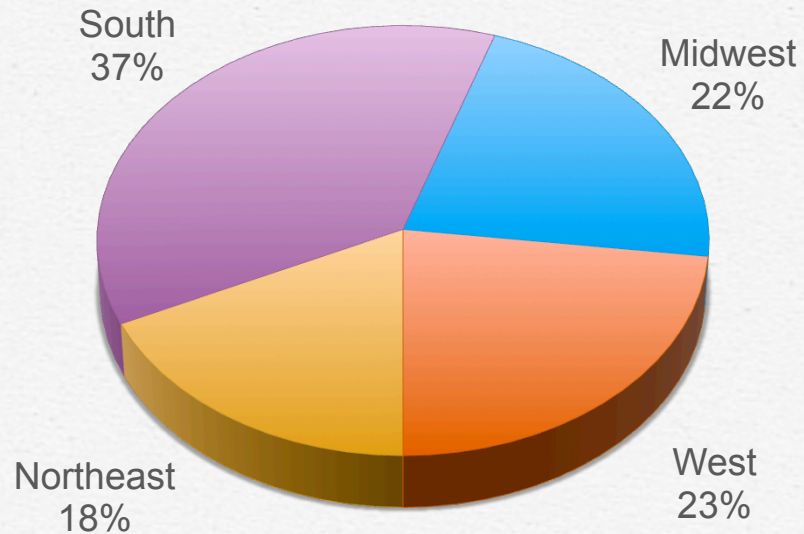
U.S. Population 12+



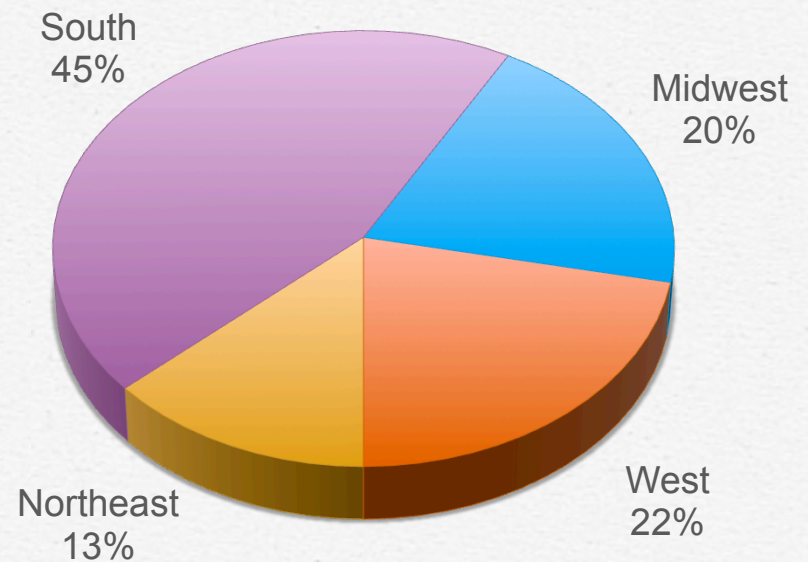
Daily Deals users

Daily Deals services have caught on fastest in the South

Region



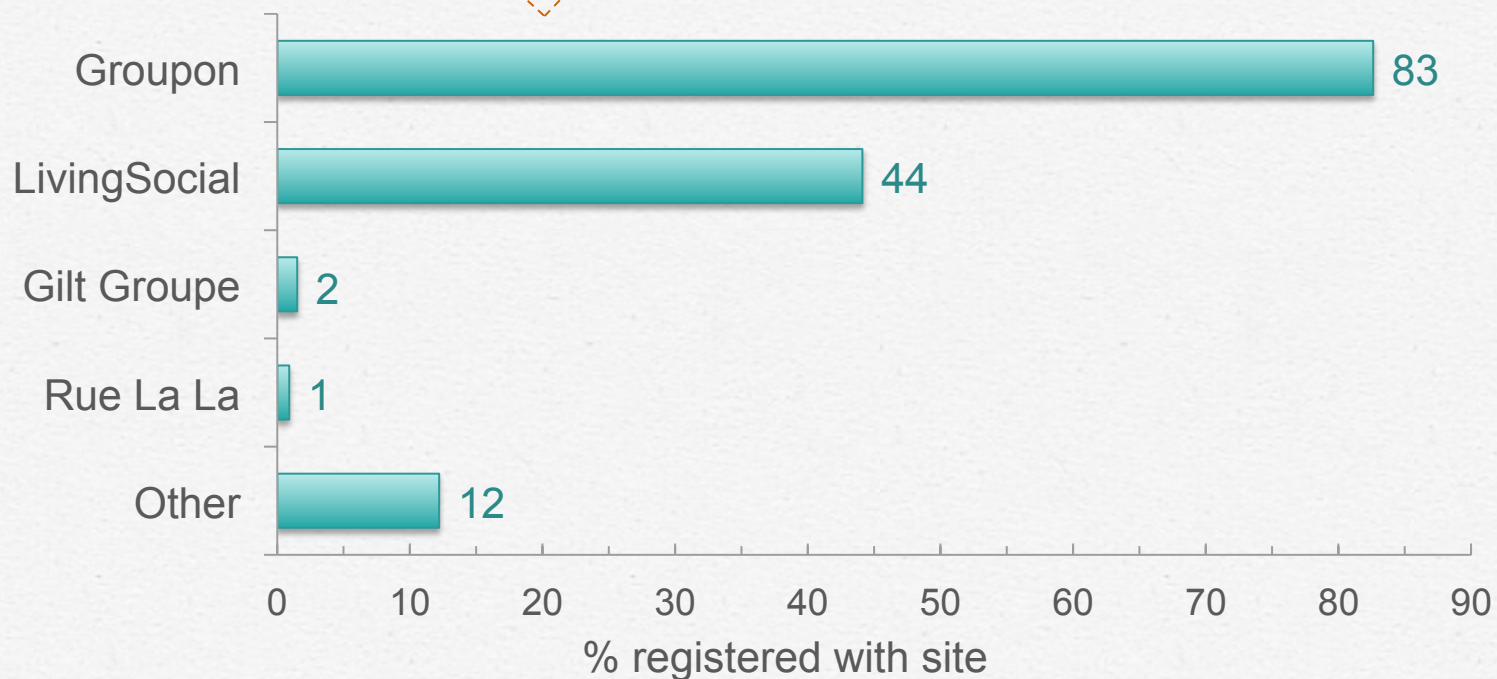
U.S. Population 12+



Daily Deals users

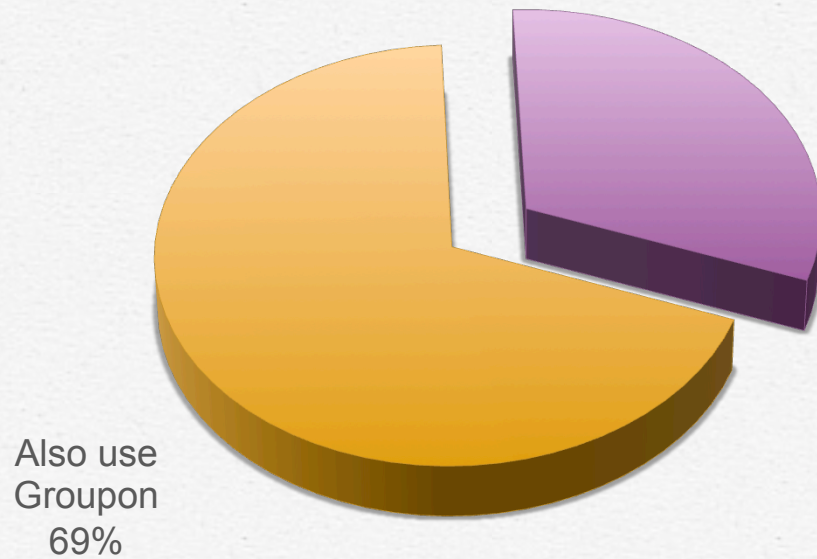
Groupon and LivingSocial are the most popular among Daily Deals users

“Which ‘daily deals’ services are you registered with?”

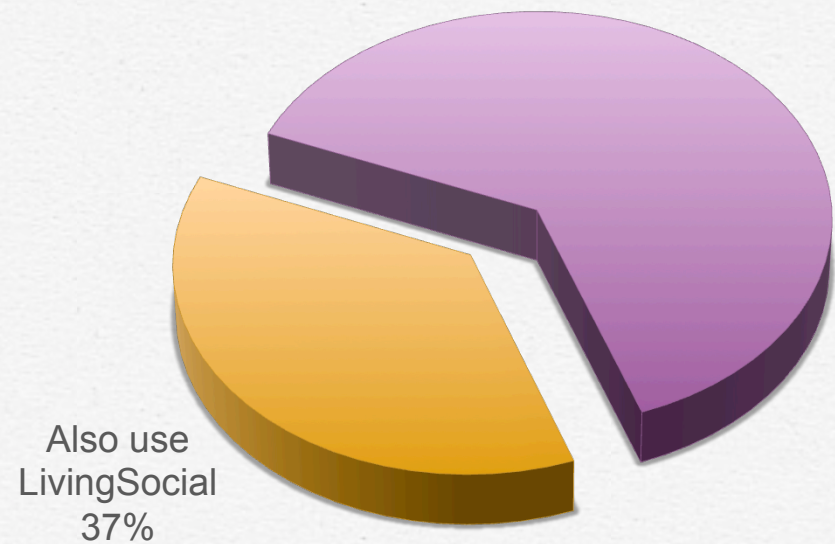


Two-thirds of LivingSocial users also use Groupon

“Which ‘daily deals’ services are you registered with?”



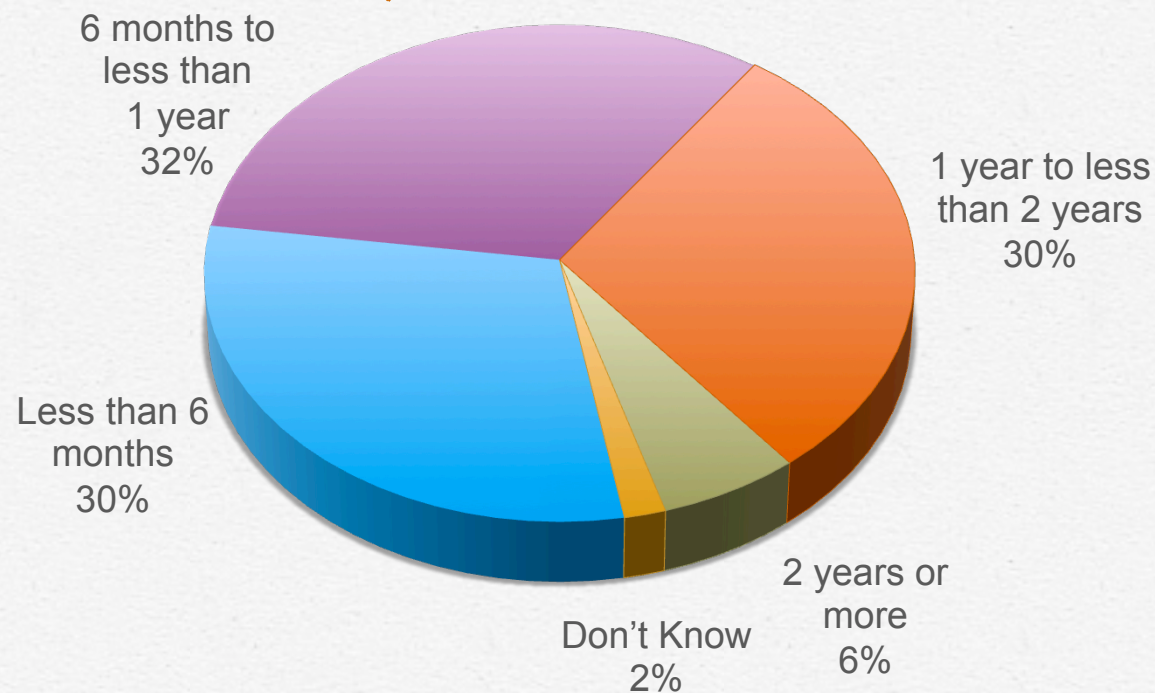
LivingSocial users



Groupon users

More than half of Daily Deals users joined in the past year

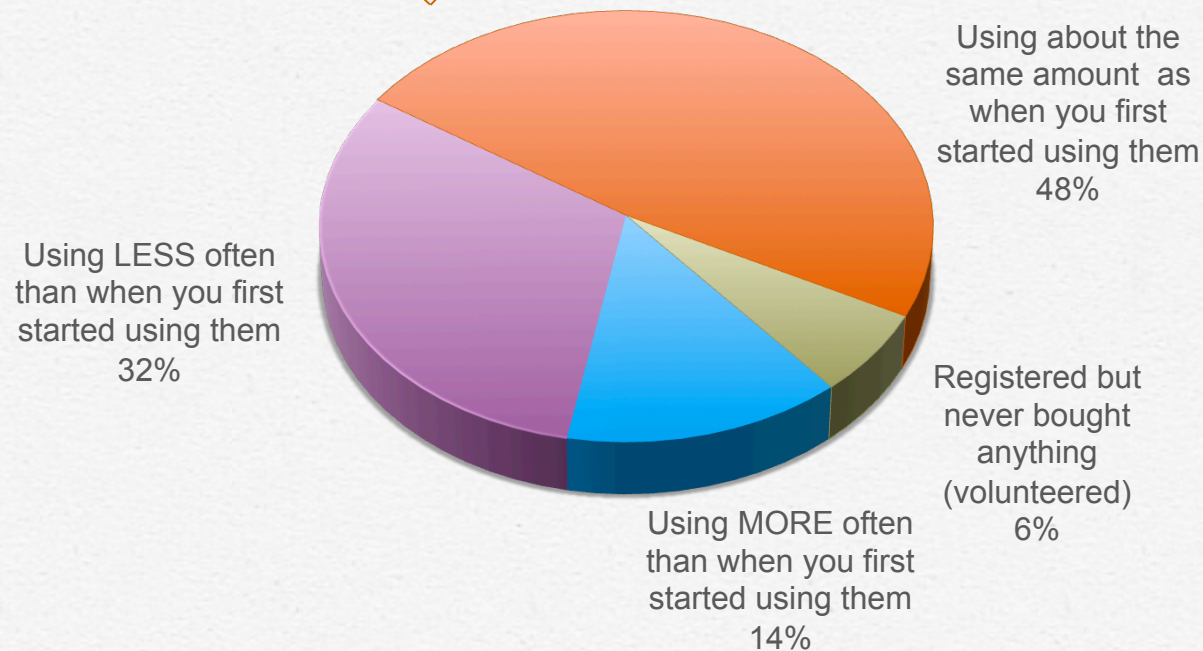
“How long have you been a registered user of “daily deals” services?”



Base: Registered user of “daily deals” sites or services

More than three-in-five increase or maintain their usage over time

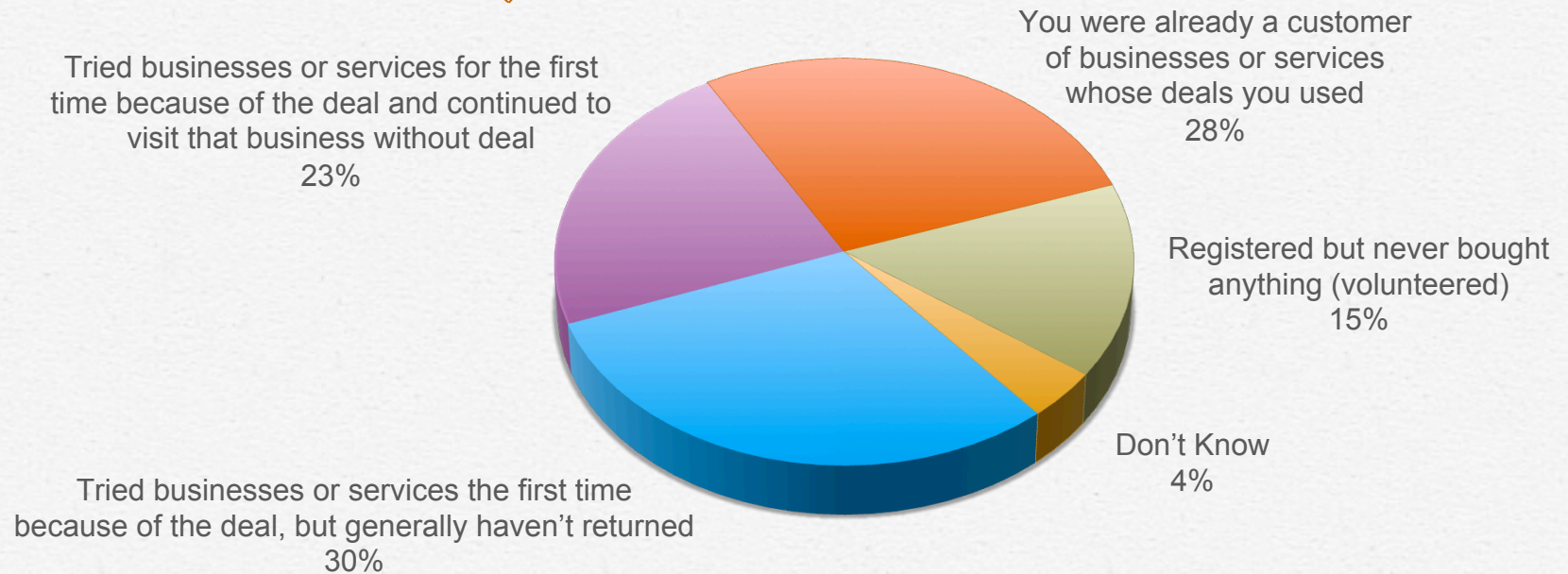
“Compared to when you first started using ‘daily deals’ services, in general which of the following best describes your current experience with these services?”



Base: Registered user of “daily deals” sites or services

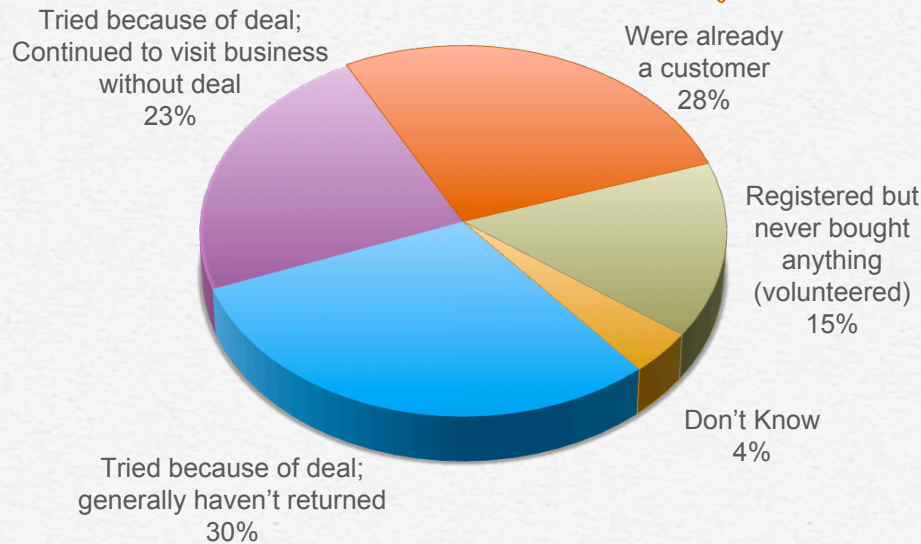
Daily Deals services drive new business

“In general which of the following best describes your experience with ‘daily deals’ services such as Groupon or LivingSocial?”

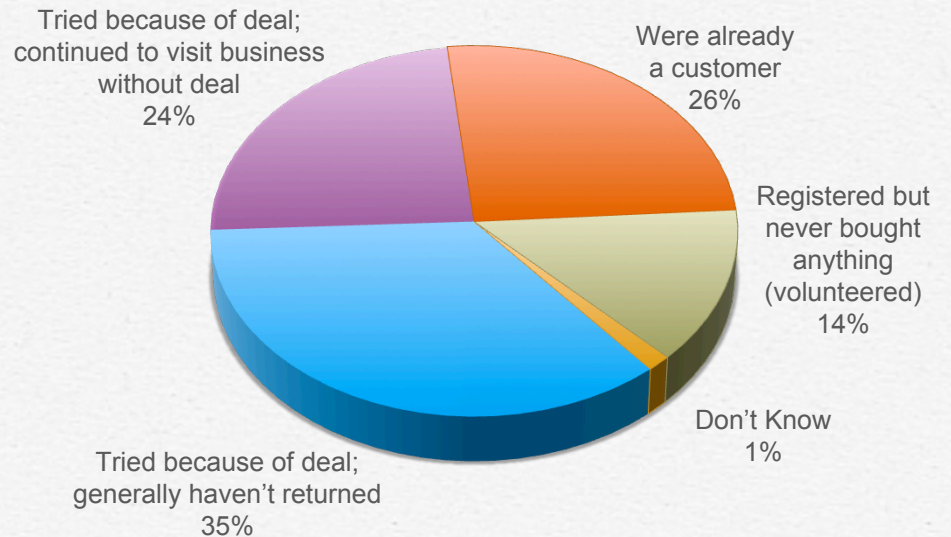


Groupon and LivingSocial are equally effective at generating return customers for businesses

“In general which of the following best describes your experience with ‘daily deals’ services such as Groupon or LivingSocial?”



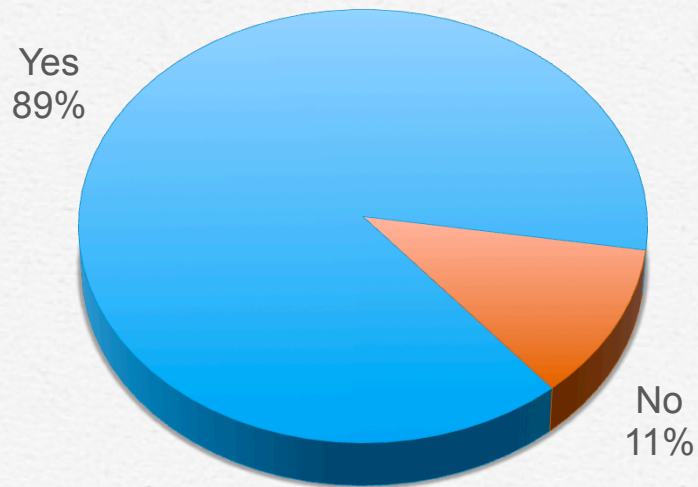
Groupon users



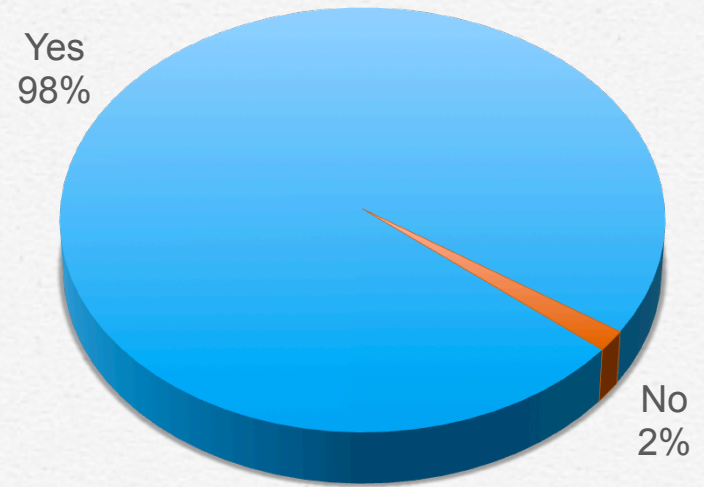
LivingSocial users

Virtually all Daily Deals users have a cell phone

“Do you personally own a cell phone?”



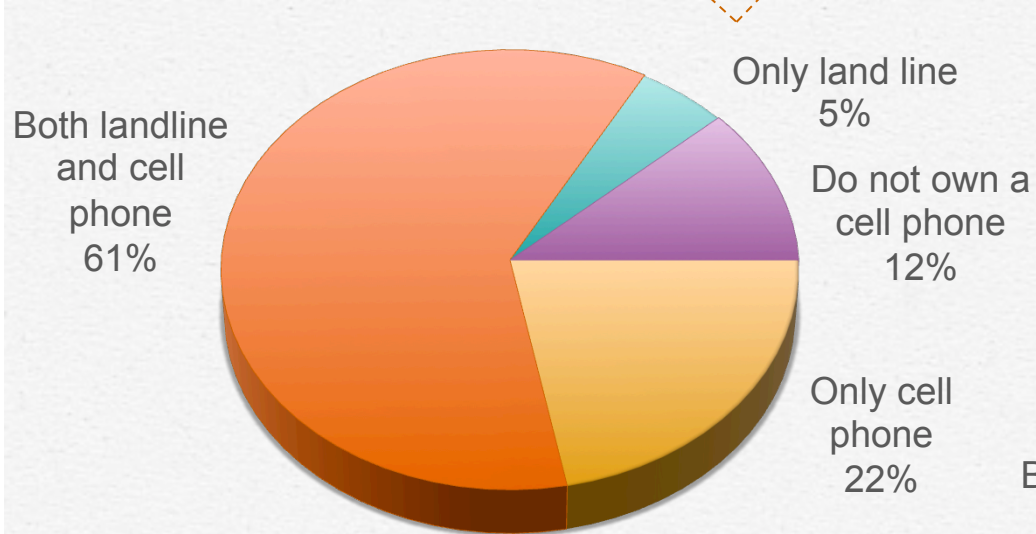
U.S. Population 12+



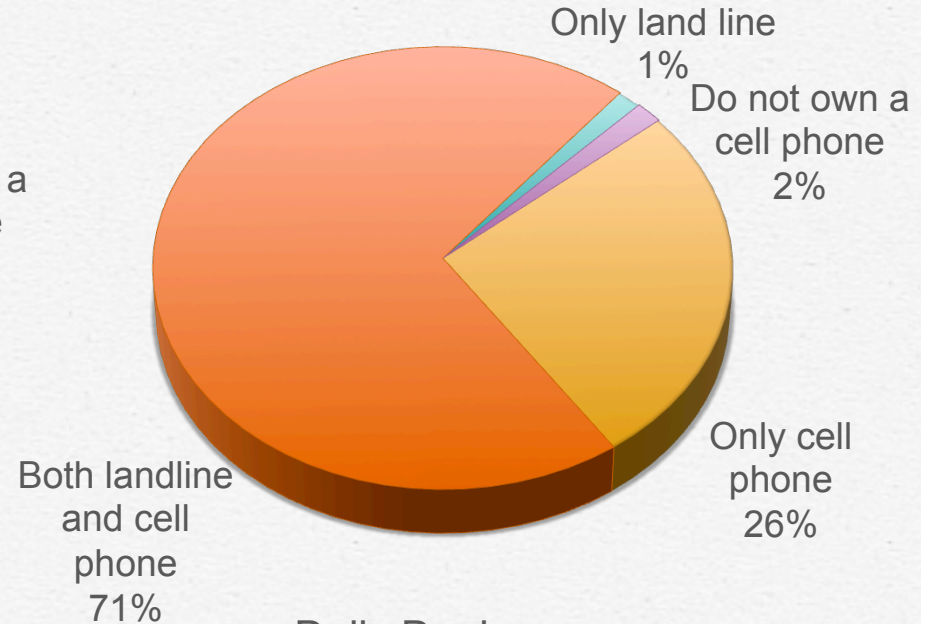
Daily Deals users

Daily Deals users are somewhat more likely to be “cell phone only”

*“Think about the telephone service you can be reached on at home.
What type of telephone service can you be reached on in your home?”*



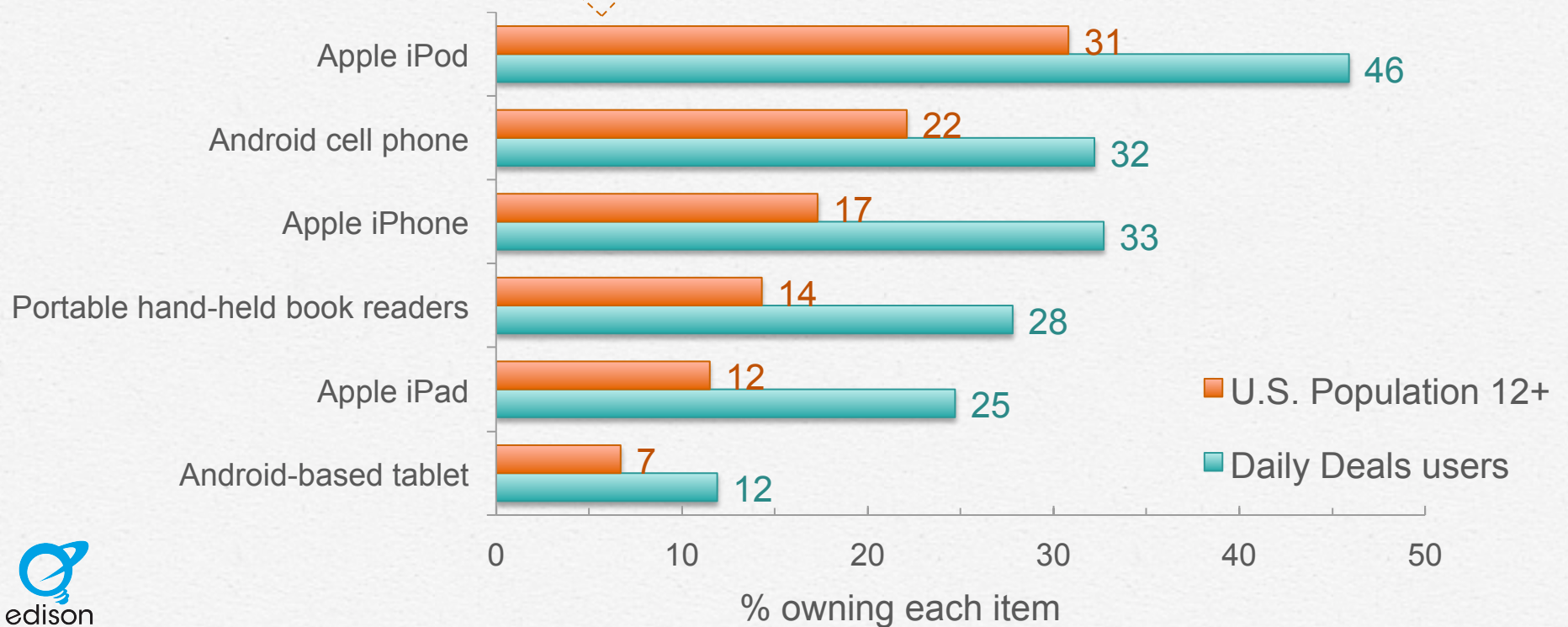
U.S. Population 12+



Daily Deals users

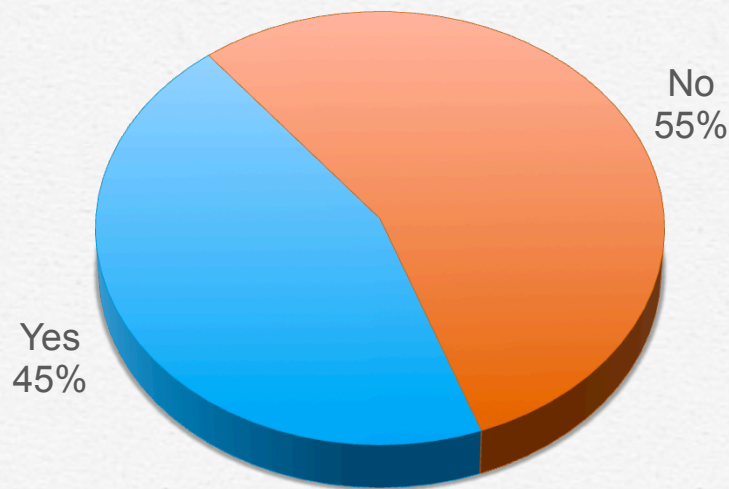
Due to their youth and higher incomes, Daily Deals users own many electronic mobile devices

“Do you currently own...”

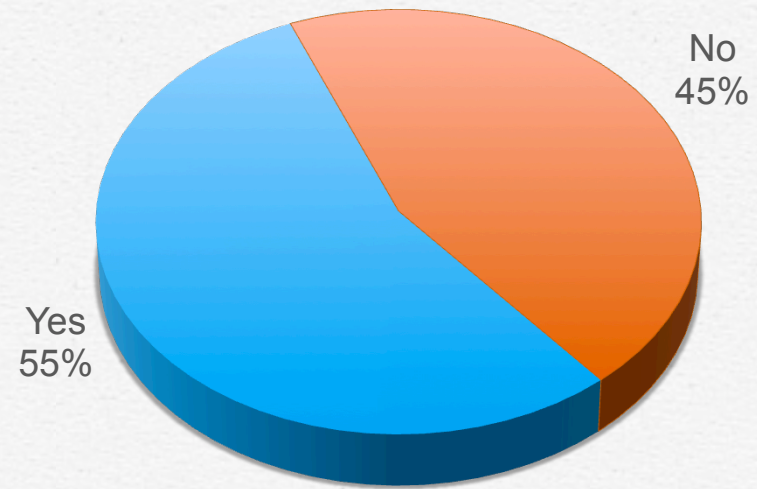


Daily Deals users are more likely to own a digital video recorder...

“Do you currently own or use either a TiVo branded Digital Video Recorder or one supplied by a local cable company or satellite TV company?”



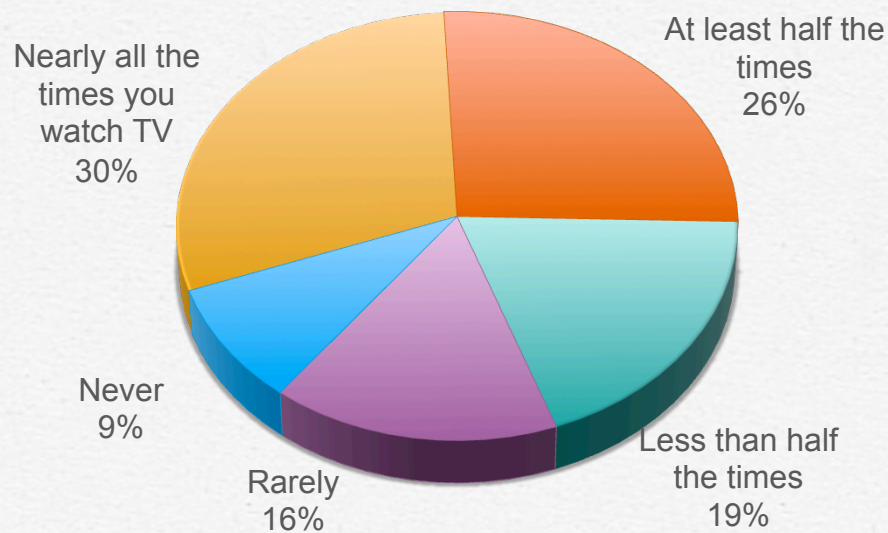
U.S. Population 12+



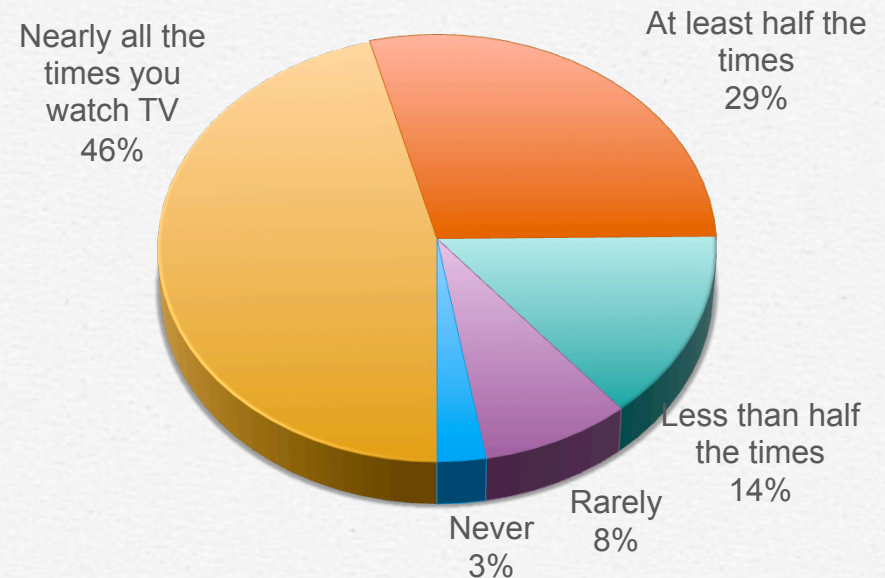
Daily Deals users

...and they use their DVRs to time-shift far more often

“Thinking about all the times you watch TV, how often do you watch time-shifted programming recorded from your DVR?”



U.S. Population 12+

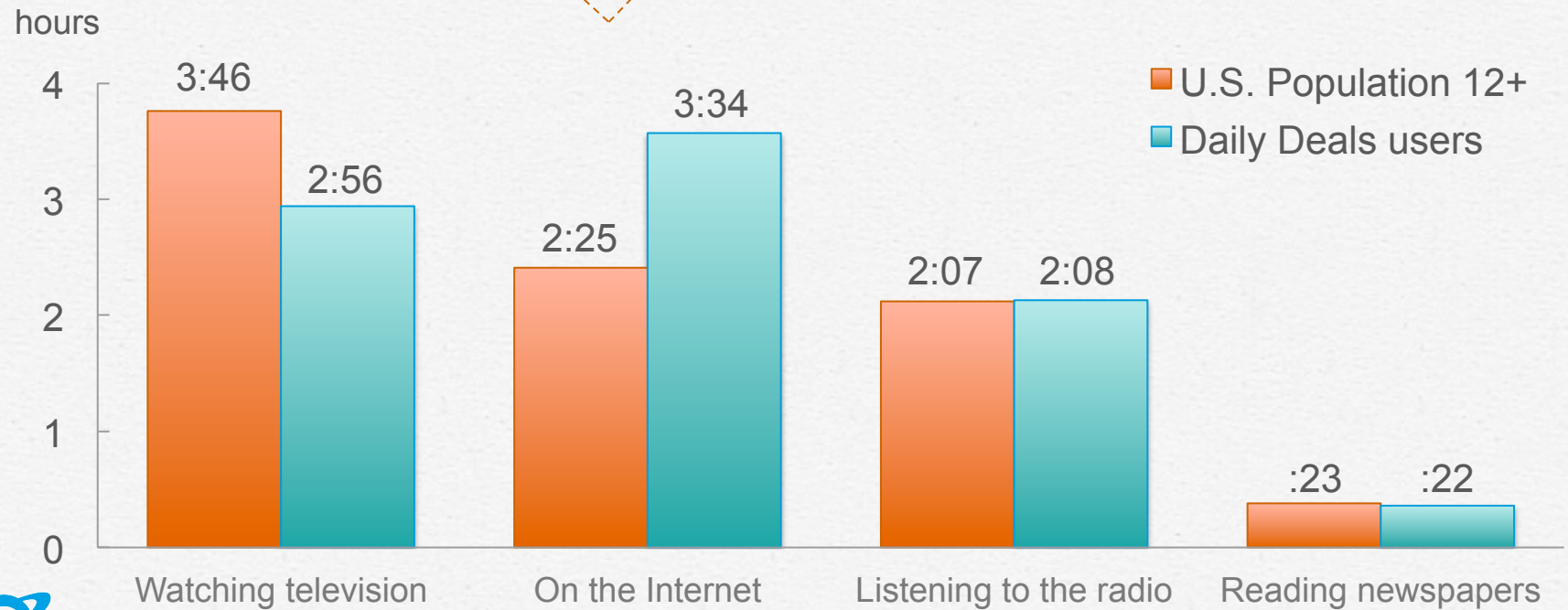


Daily Deals users

Base: Own a DVR

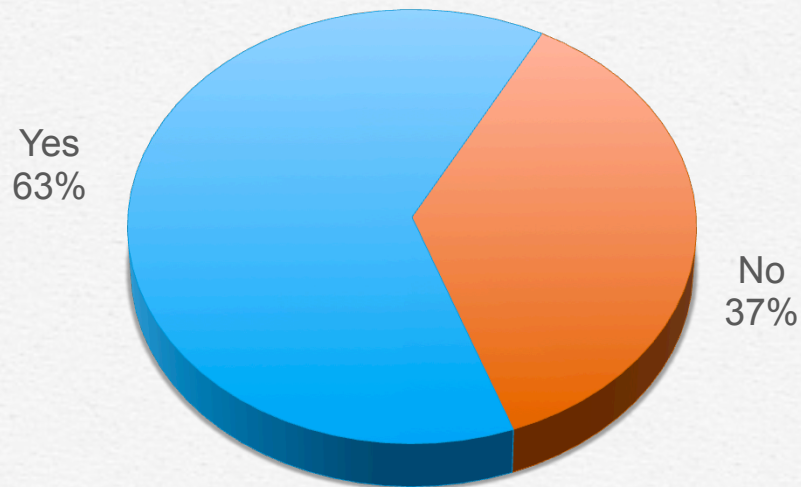
Daily Deals users spend much more time online

“In the last 24 hours, approximately how much time did you spend...”



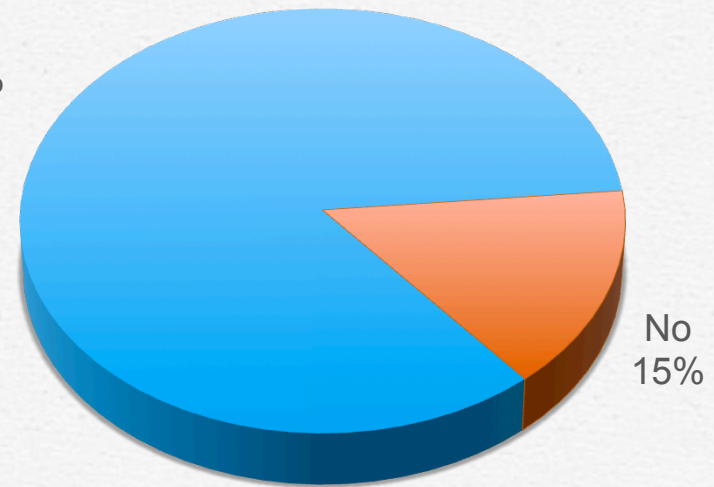
More than four-fifths of Daily Deals users access the Internet at work

“Do you currently ever access the Internet at work?”



U.S. Population 12+

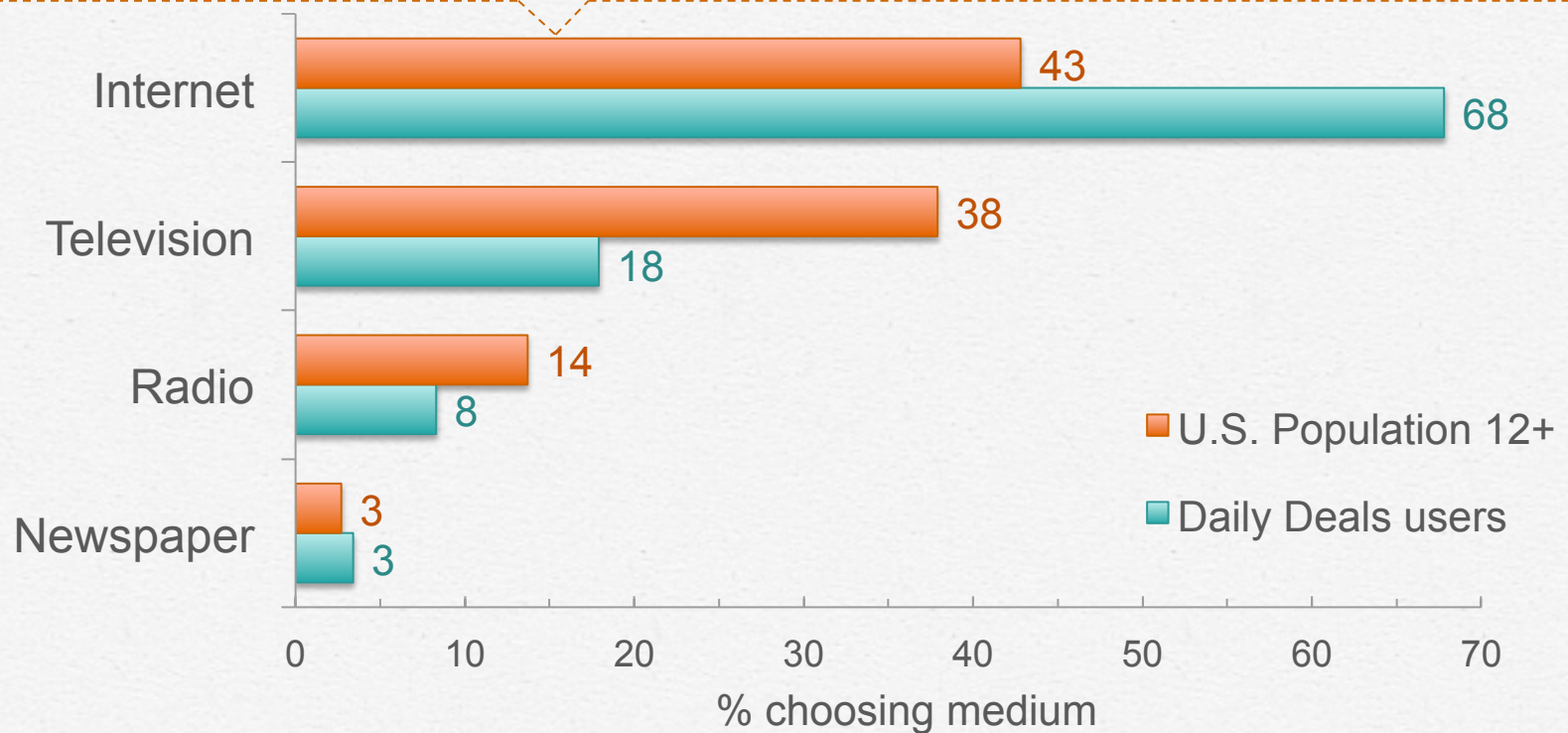
Yes
85%



Daily Deals users

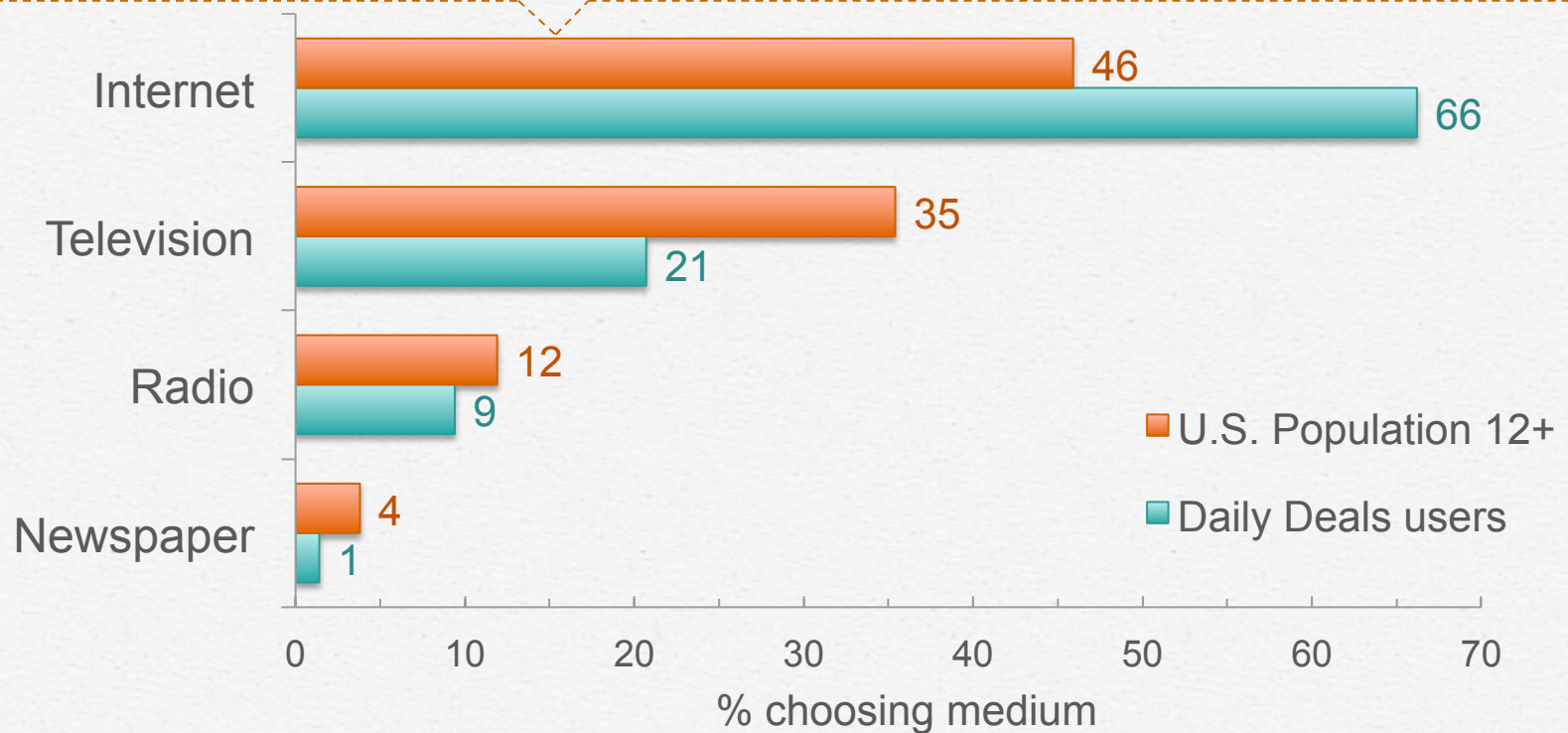
Daily Deals users are far more likely to choose Internet over other media

*“Among the Internet, newspapers, radio and television, which one **are you using more lately?**”*



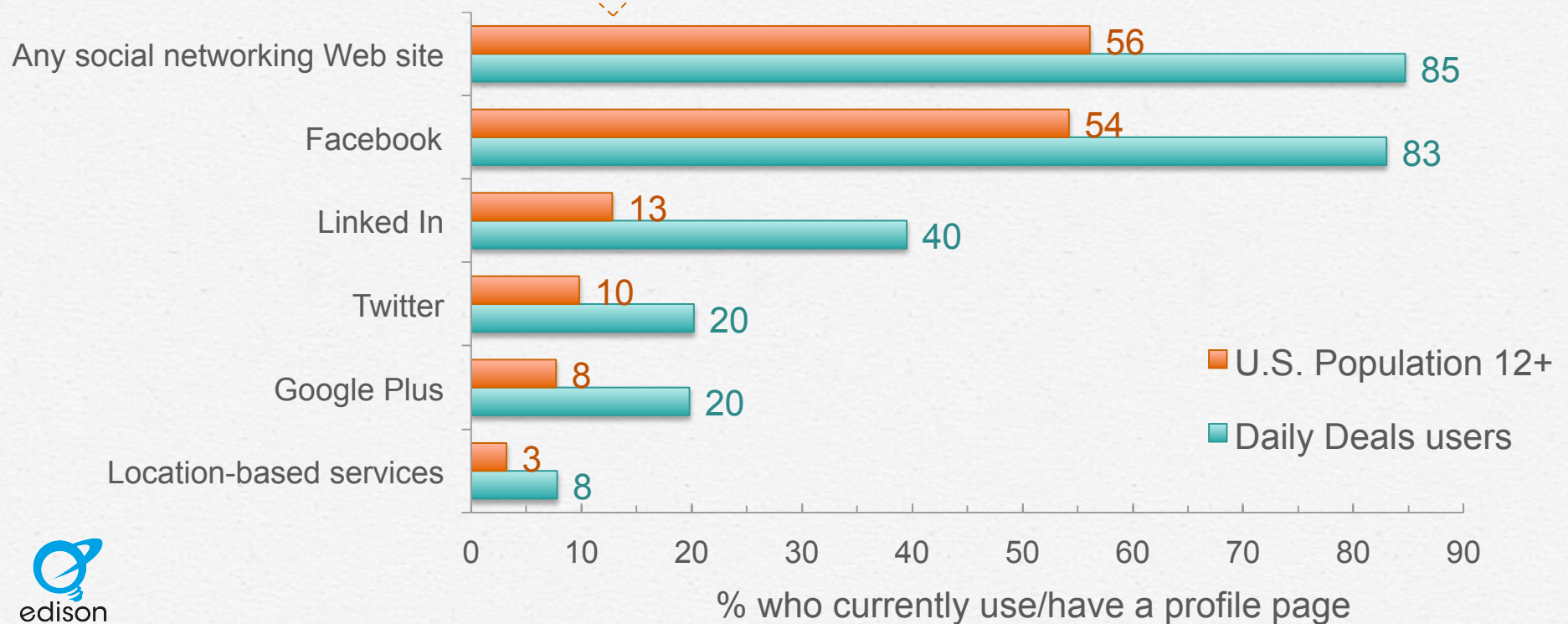
Daily Deals users are far more likely to choose Internet over other media

*“Among the Internet, newspapers, radio and television, which one **is most essential to your life?**”*



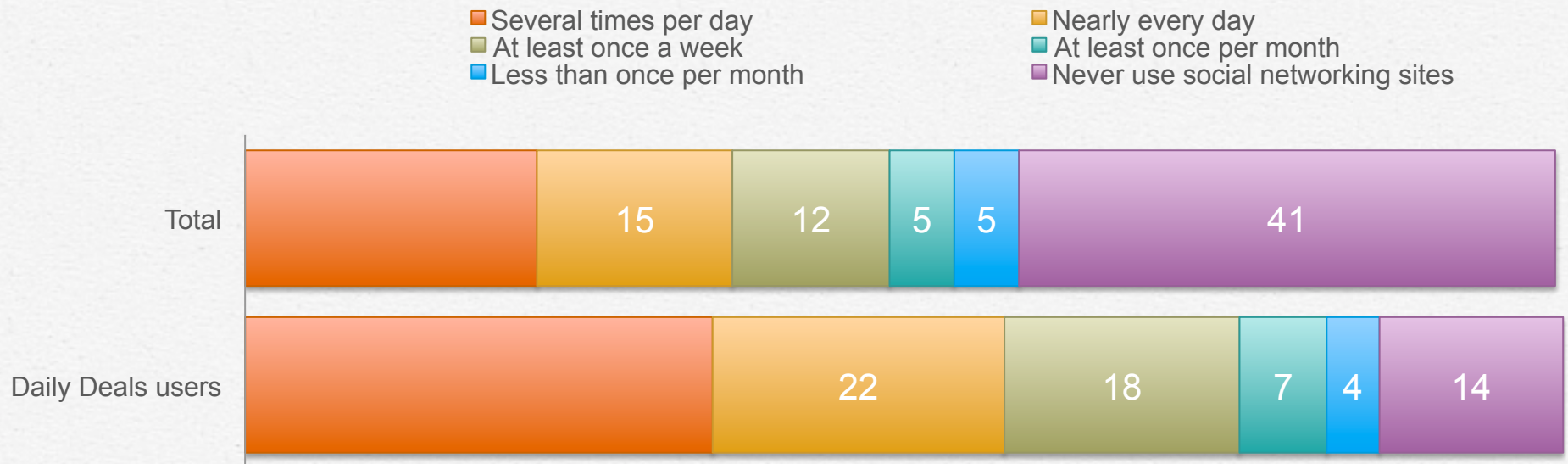
Daily Deals users are more likely to use every major social network

“Do you currently ever use/have your own profile page on...”



Daily Deals users are also using social networks more often

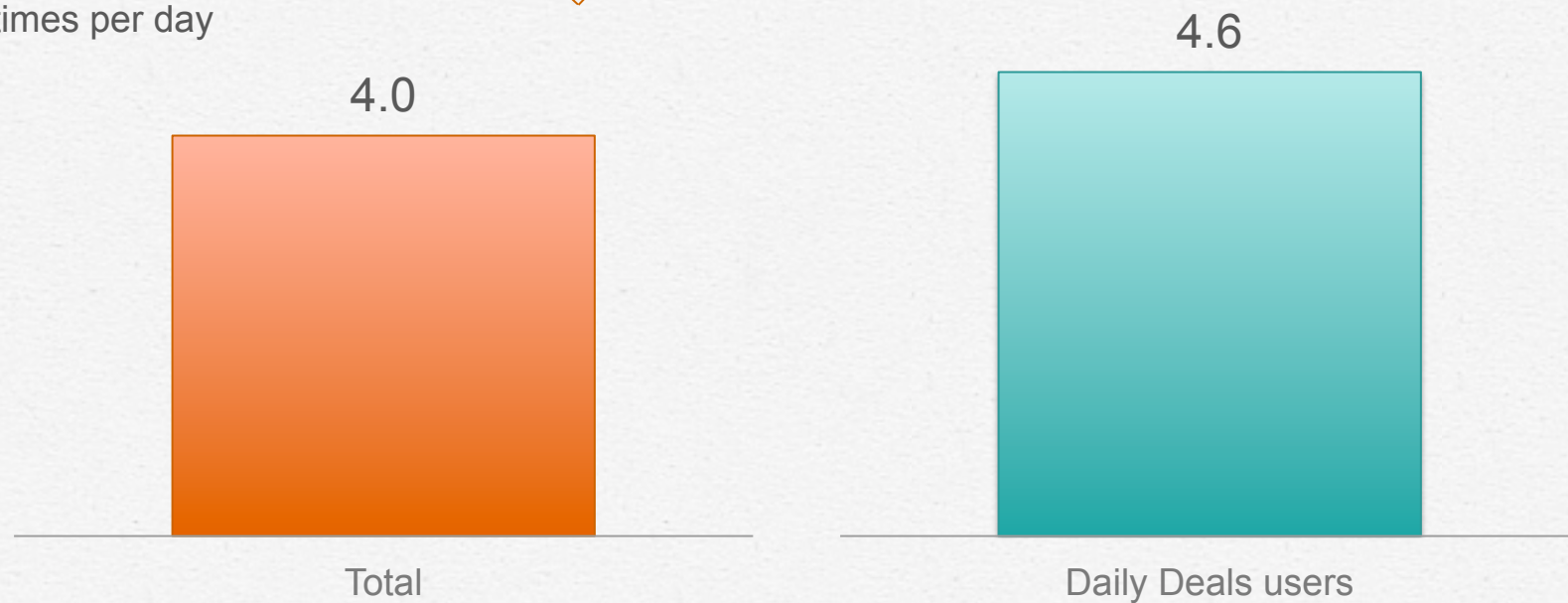
“How often do you use social networking Web sites or services?”



Daily Deals users check Facebook more regularly

“In the last 24 hours, approximately how many times did you check your Facebook account?”

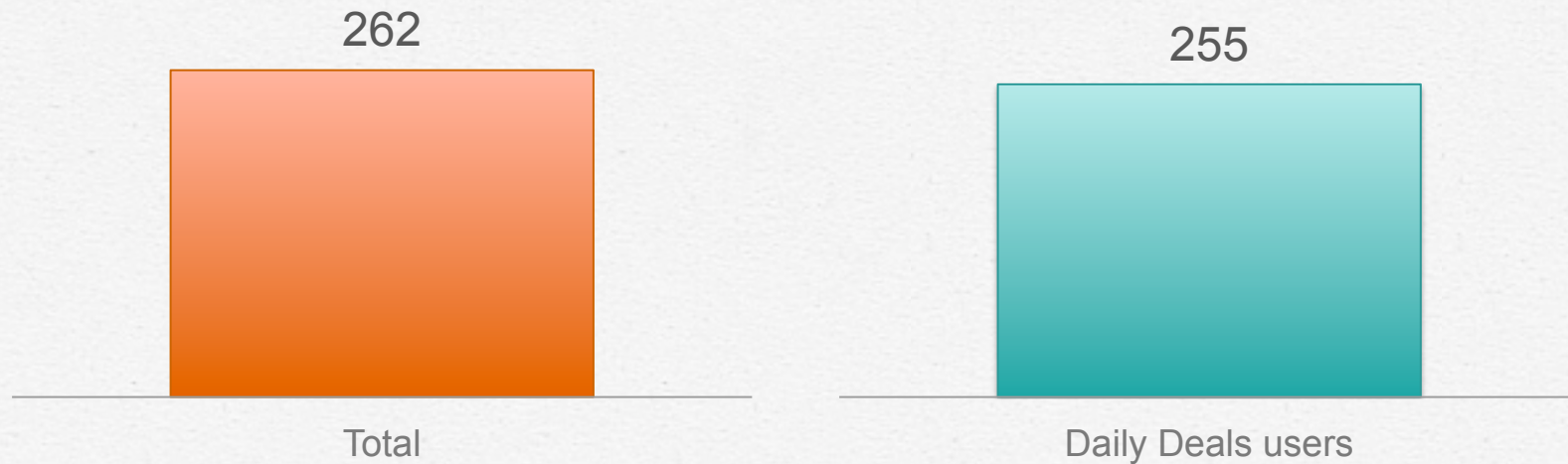
Mean times per day



Daily Deals users report having an average of more than 250 Facebook friends

“Approximately how many Facebook friends do you have?”

Mean # of friends



On average, LivingSocial users report having 50 more Facebook friends than Groupon users

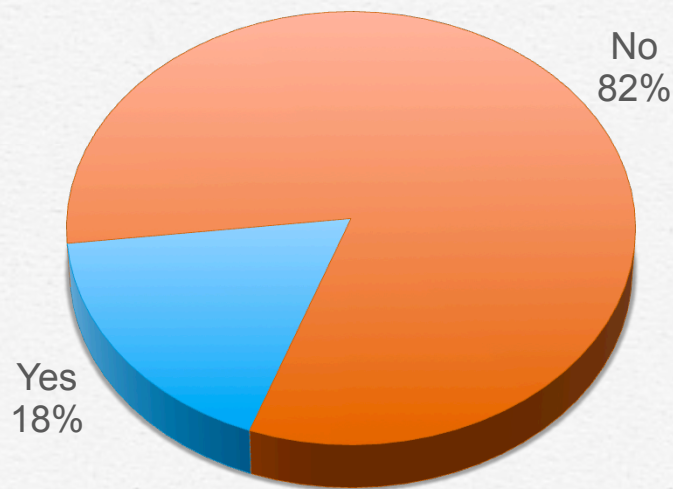
“Approximately how many Facebook friends do you have?”

Mean # of friends

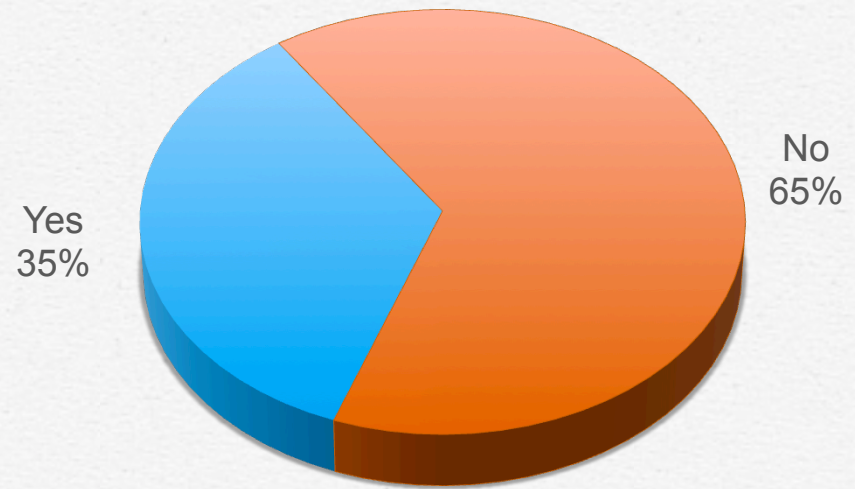


Daily Deals users are nearly twice as likely to follow brands or companies via social networking sites

“Do you follow any companies or brands on any social networking sites such as Facebook or Twitter?”



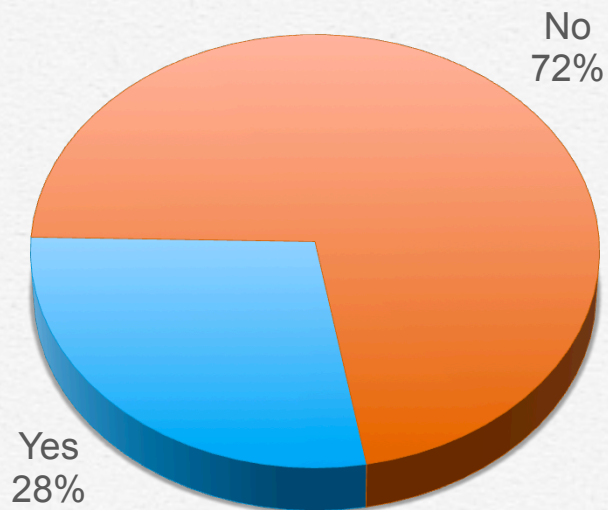
U.S. Population 12+



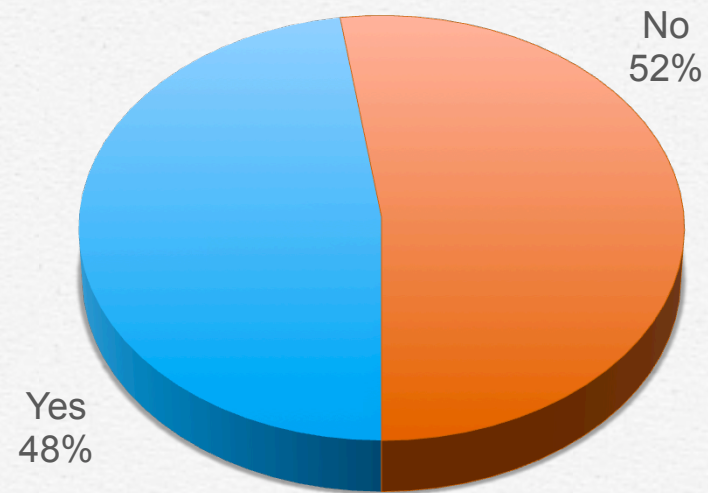
Daily Deals users

Daily Deals users are much more likely to listen to Internet audio

Have listened to radio over the Internet, Internet-only audio, or Pandora in the last week



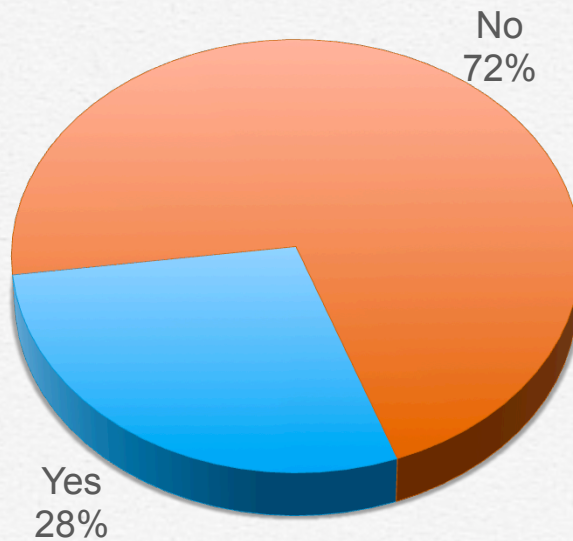
U.S. Population 12+



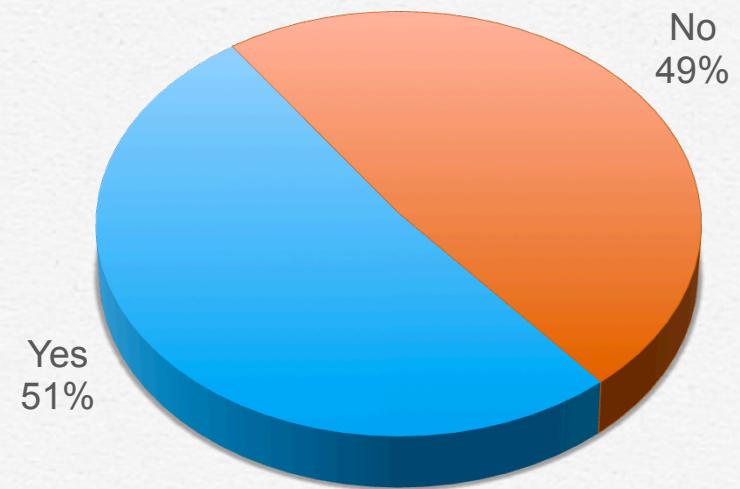
Daily Deals users

A majority of Daily Deals users have listened to an audio podcast

Ever listened to an audio podcast



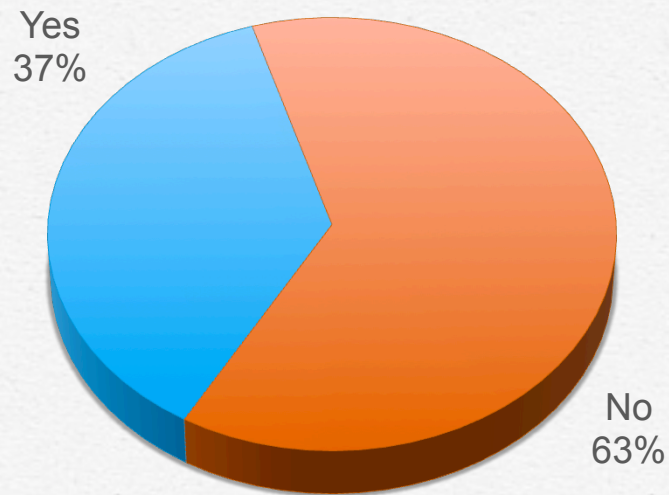
U.S. Population 12+



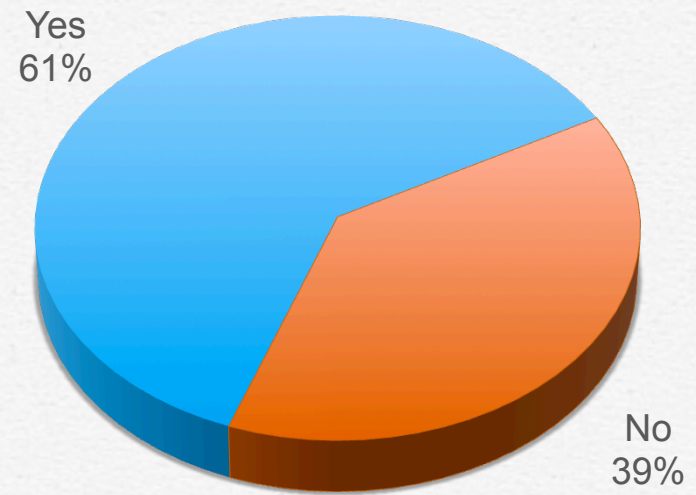
Daily Deals users

Daily Deals users are far more likely to watch video over the Internet

“Have you viewed video over the Internet in the last week?”



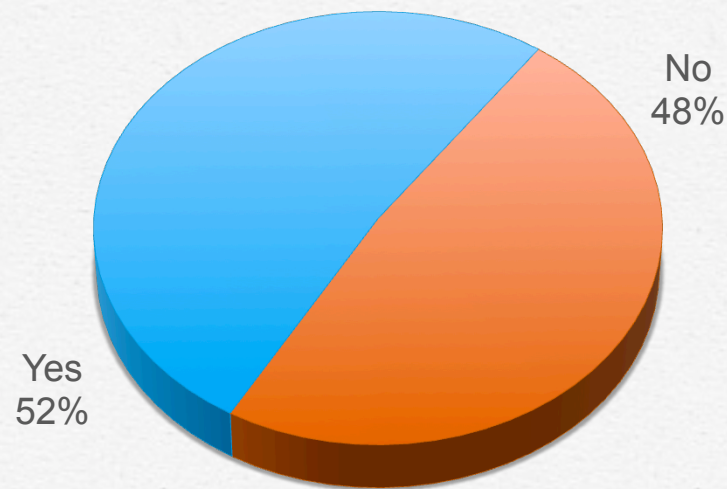
U.S. Population 12+



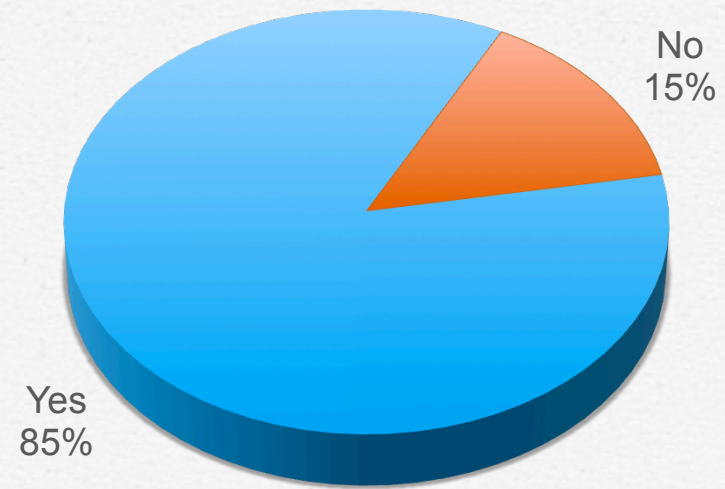
Daily Deals users

Nearly all Daily Deals users have used Amazon.com

“Do you ever visit the Amazon.com website?”



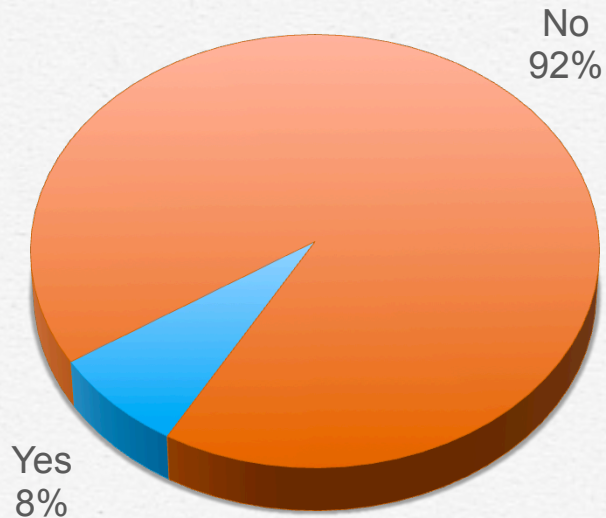
U.S. Population 12+



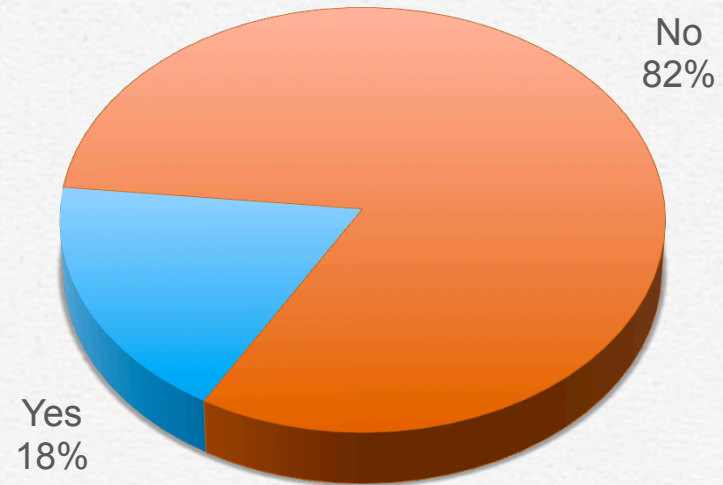
Daily Deals users

Daily Deals users are more than twice as likely to subscribe to Amazon Prime

“Are you a subscriber to the service from Amazon.com called ‘Amazon Prime’?”



U.S. Population 12+



Daily Deals users

Observations

- The “Daily Deals” space encourages trial, but loyalty remains an opportunity
- There is also an opportunity for a “Daily Deals” offering tailored to serve the Hispanic market

Observations

- The mobile-reliant profile of “Daily Deals” users suggests opportunities for “Just-in-time” deals for local, instant conversions
- There is a natural affinity between “Daily Deal” usage and Internet audio usage, which leads to numerous cross-platform promotional opportunities

Observations

- “Daily Deals” users have higher income, and higher advertising-avoidance behaviors, making these services a valuable marketing channel beyond the “deal”
- In fact, income figures and their higher propensity to join a premium service like Amazon Prime suggests that “Daily Deals” users are not price conscious, but value-seekers, which makes premium offerings feasible

