The Digital & Social Marketing Summit

GROUPON®

Alexander Kappes

CEO

GROUPON®

INTRODUCING GROUPON

COLLECTIVE BUYING POWER™

GROUPONOMICS WORLD

NASDAQ IPO VALUATION

$15BN

48

COUNTRIES

120+

MILLION USERS

2.000+

DEALS PER DAY

GROUPON IS GLOBALLY ACTIVE AND CONTINUOUSLY EXPANDING

GROUPON IS ACTIVE IN THE FOLLOWING 48 COUNTRIES

Argentina
Australia
Austria
Belgium
Brazil
Bulgaria
Chile
China
Germany
Denmark
Finland
France
Greece
Hong Kong
India
Indonesia
Ireland
Israel
Italy
Japan
Canada
Colombia
Malaysia
Morocco
Mexico
New Zealand
Netherlands
Norway
Peru
Philippines
Poland
Portugal
Romania
Russia
Sweden
Switzerland
Singapore
Spain
South Africa
South Korea
Taiwan
Thailand
Turkey
Ukraine
UAE
United Kingdom
USA

Earn AED30 now!

Exquisite Friday Brunch with live cooking stations starting from AED 110 at Medley Restaurant in Dubai's new landmark, the Pullman Dubai Deira City Center Hotel

Buy Now!

Price: from AED110

Discount	You save
50%	AED110

This deal can be bought over the next:
7 days 14:24:51

242 Bought!
Deal is on!

Recommend to friends!
Facebook | Twitter | eMail

In A Nutshell

- Relax for the weekend with a Friday family brunch at Medley Restaurant, Pullman Dubai Deira City Centre Hotel

The Fine Print

Groupon Conditions
- Multiple Groupons allowed
- Groupon valid until 14.09.2013
- 1 Groupon per person

Last Chance Deals
DUBAI ABU DHABI

EXCLUSIVE Visa deals VISA

NESCAFÉ Dolce Gusto SHOPPING

MY MUSIC X TICKETS

Shopping:

AED1,699 instead of AED4,000: Samsung CCTV Security Kit
AED1,699 instead of AED4,000
View

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FULL SERVICE RANGE

Business Objectives	Business Consultation	Groupon Platforms	Campaign	Sales Solutions	Customer Service	Loyalty
• Customers • Awareness	• ROI Calculator • Capacity Calculator • Upsell Strategy	• Groupon • Tickets • Getaways • Goods • Visa Exclusive • Shop & Ship • Social Media	• Deal • Media Plan • Deal Bank • Supporting Media Campaigns with TV & Radio	• Staff Training • Concierge Service • Merchant Center • Website creation	• CS Feedback • Reviews • Demo-graphics • Consumer Behaviour	• Groupon Rewards for Return Customers • G-Club

GROUPON®

IN THE UAE AND THE REGION

- CONNECTED TO OVER 2 MILLION SUBSCRIBERS IN THE UAE ALONE
- LOCAL SALES TEAMS COVERING ABU DHABI, DUBAI, SHARJAH & THE NORTHERN EMIRATES
- UAE BASED HOTEL & TOURISM MANAGEMENT TEAM SOURCING DEALS IN THE UAE, MIDDLE EAST AND WORLDWIDE
- CENTRALISED GOODS TEAM SOURCING INNOVATIVE PRODUCTS FROM THE REGION AND WORLDWIDE

- ACCESS TO THE REGION VIA PARTNERSHIPS WITH VISA AND ARAMEX SHOP & SHIP
- AFFILIATE NETWORK OF BANKS
  - SAUDI ARABIA: NATIONAL COMMERCIAL BANK OF SAUDI, SAUDI BRITISH BANK. RIYADH BANK
  - KUWAIT: AL AHLI BANK, KUWAIT INTERNATIONAL BANK, GULF BANK OF KUWAIT
  - QATAR: AL KHALEEJI COMMERCIAL BANK, MASHREQ BANK QATAR
  - OMAN: BANK OF MUSCAT, NATIONAL BANK OF OMAN
  - UAE: FIRST GULF BANK, MASHREQ BANK, DUBAI FIRST
  - REGIONAL: HSBC, CITIBANK

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GROUPON'S REACH

Connecting you with over 1.000.000 unique subscribers

Ranked among the absolute top sites in the UAE

Featuring a selection of top hotels, flights and vacation packages twice weekly

SOURCE: alexa.com 2012

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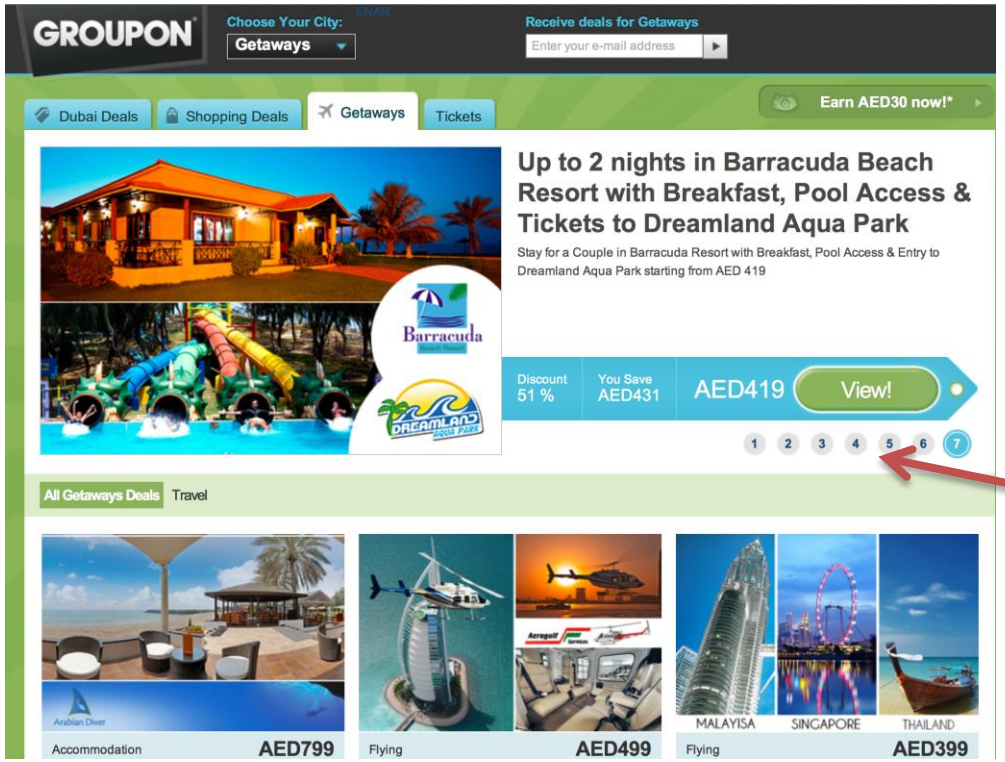
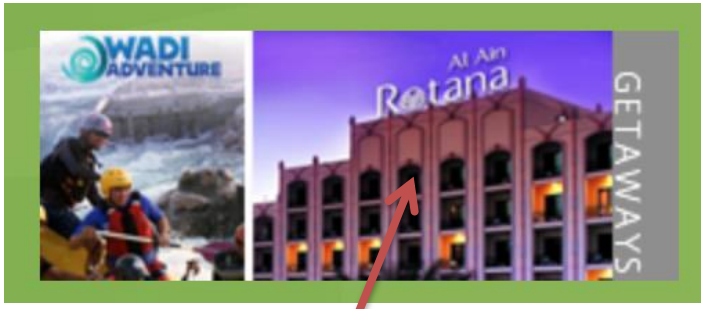
TRAVEL CHANNEL – GROUPON GETAWAYS





SPECIAL GETAWAYS LAYOUT WITH CATEGORIES AND ROTATING DEAL PRESENTATION

EXCLUSIVE BRANDED BANNERS AVAILABLE FOR TOP PARTNERS

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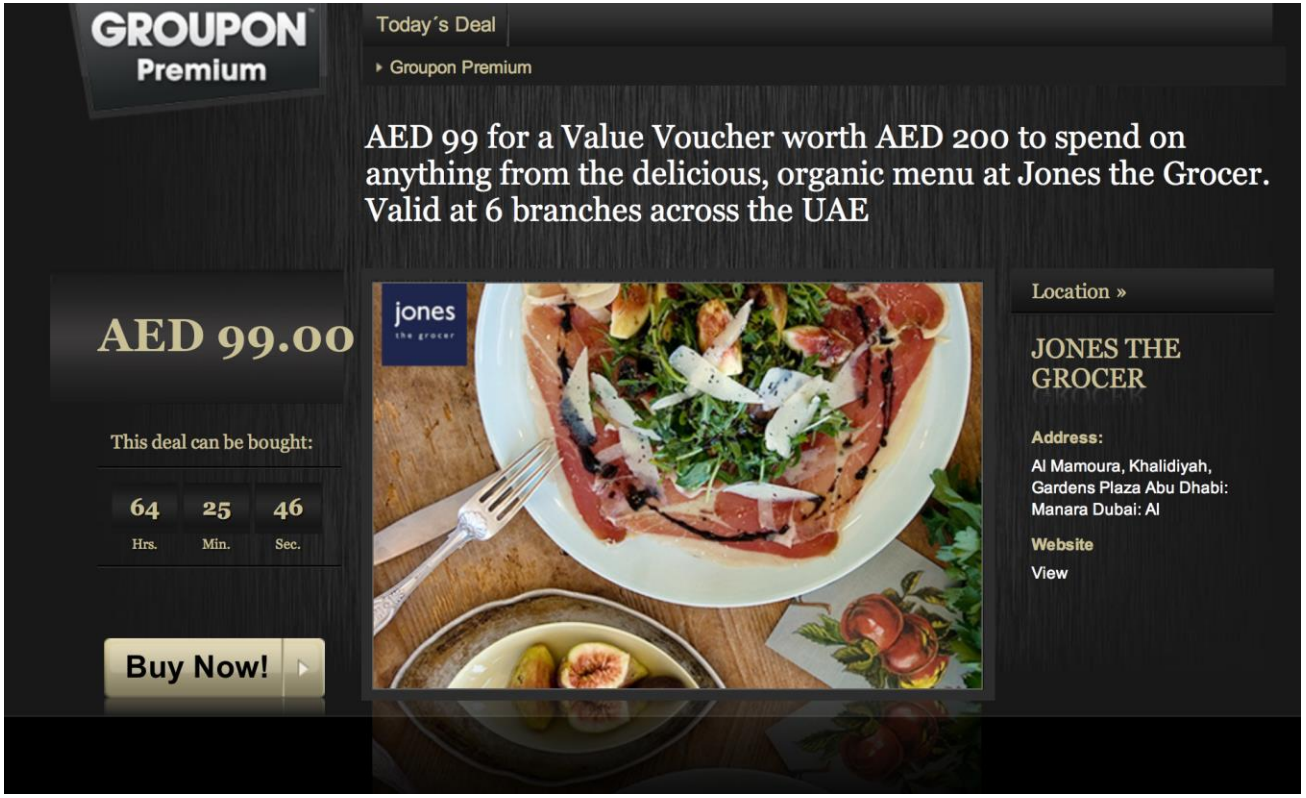
CHANNEL EXAMPLE – PREMIUM



PREMIUM DESIGN FOR THE EXCLUSIVE PARTNERS

- NO DISCOUNT SHOWN
- NO COUNT OF VOUCHERS SOLD
- ONLY SENT TO A SELECT TARGET GROUP

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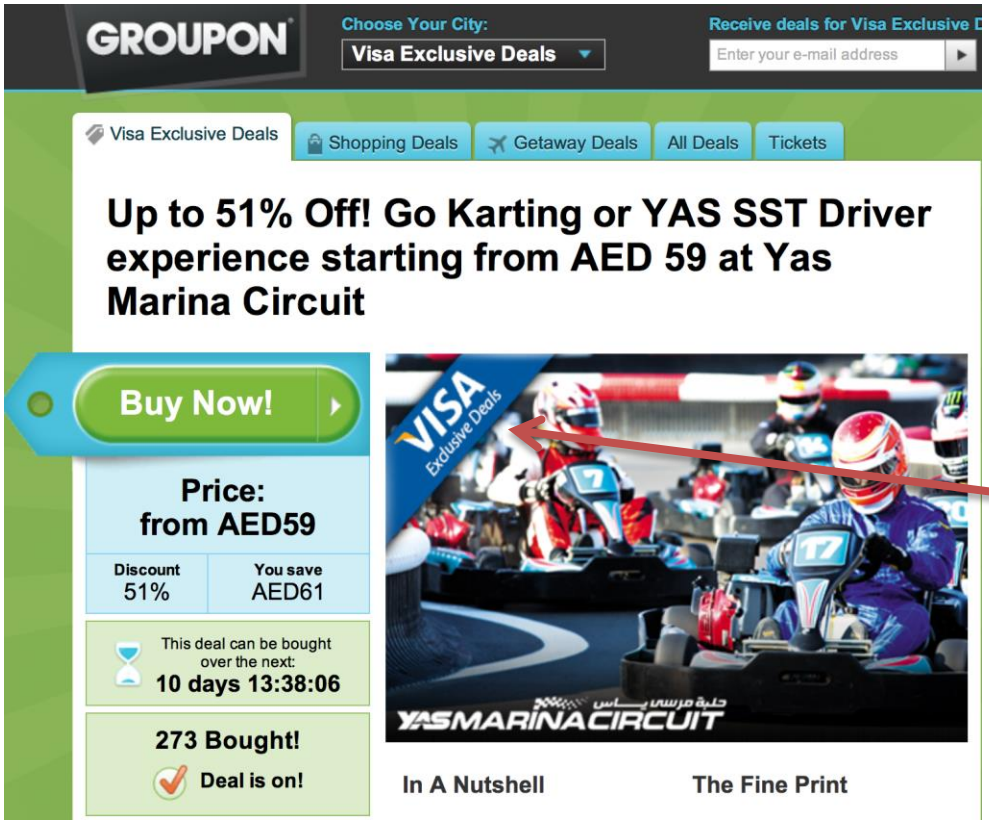
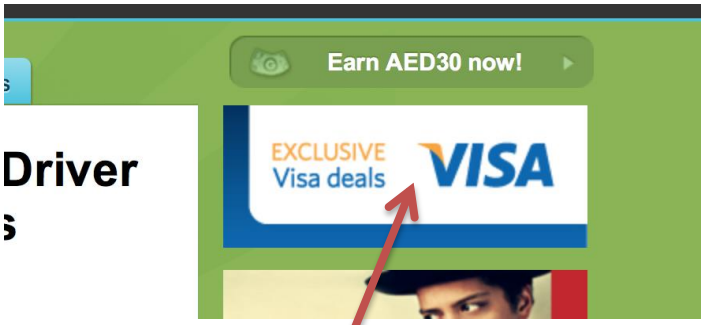
CHANNEL EXAMPLE – VISA EXCLUSIVE





VISA EXCLUSIVE BRANDING WITH BANNERS ON SITE AND DEAL IMAGE

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WORKING WITH GROUPON

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THE INDUSTRY

In 2011, 39% of travel sales were made online generating $3.1 billion

Online travel sales are expected to grow by 31% till 2014

Currently, 55% of online marketing budgets are aimed at improving ranking & search results

Despite high marketing spend, purchase decision is based on 3rd party reviews and price comparison

SOURCE: newmediatrendwatch.com

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GROUPONS ADVANTAGE

FENCED RATES IN LINE WITH PARTNER AGREEMENTS

COMPLETE PACKAGES WITH FOCUS ON PROMOTING THE EXPERIENCE

EXCLUSIVE PRESENTATION OF THE HOTEL WITHIN THAT SEGMENT – NO FILTERING OUT, NO DIRECT COMPETITOR COMPARISON

GROUPON SELLS EXPERIENCES INSTEAD OF ROOM NIGHTS – FOCUS IS ON THE PACKAGE AND THE HOTELS PRESENTATION

PROACTIVE OFF-SEASON MARKETING WITH FOCUS ON SELLING THE HOTEL, NOT THE PRICEPOINT

ROOM RATES CONCEALED IN PACKAGE PRICE

NO UPFRONT INVESTMENT IN ADVERTISING AND SEARCH OPTIMISATION

NO THIRD PARTY REVIEWS & NO DIRECT PRICE COMPARISON

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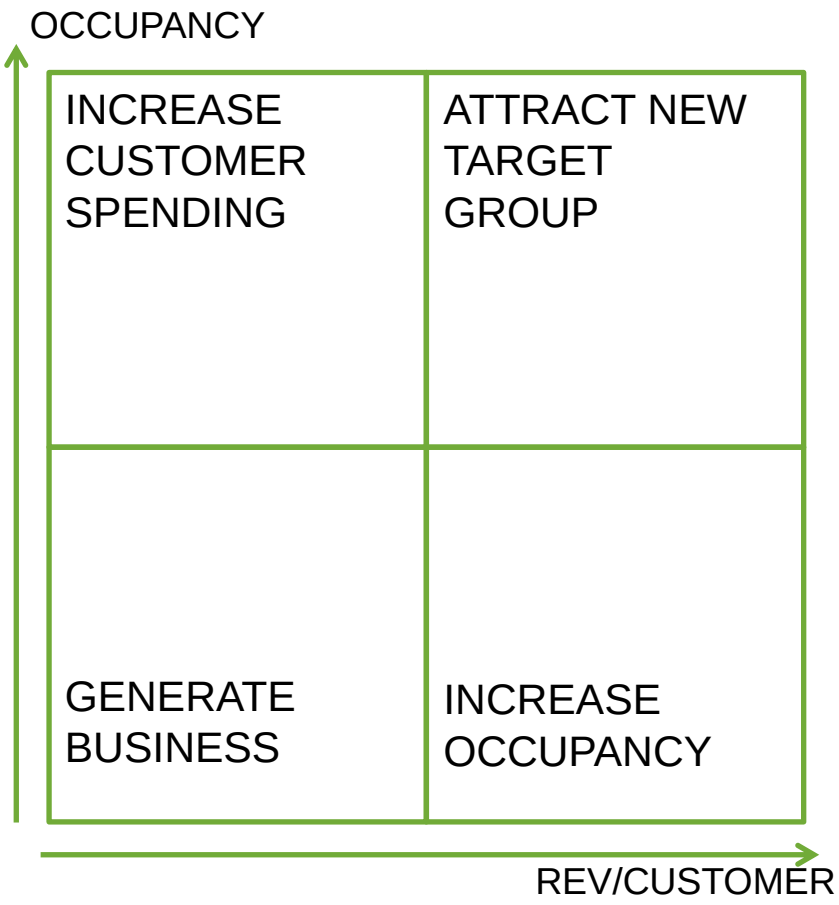
BUSINESS OBJECTIVE



GENERATE BUSINESS WITH A GROUPON CAMPAIGN

- Example: Cove Rotana bridging low rate/off season period with two week Groupon campaign

INCREASE OCCUPANCY WITH A GROUPON MEDIA PLAN & DEAL BANK

- Example: Tilal Liwa with monthly deal variations to ensure constant occupancy

INCREASE BASKET SIZE BY PROMOTING DIFFERENT ITEMS ON THE MENU

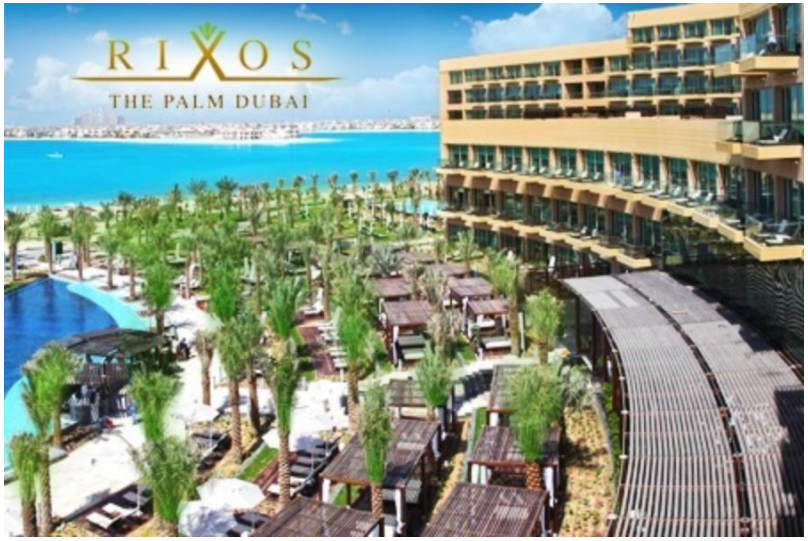
- Example: Rixos Hotel featuring a weekend package aimed at bringing UAE residents to their F&B & leisure outlets

ATTRACT NEW TARGET GROUP

- Example: 5* Rotana Business Hotel attracting weekend guests by combining offers with attractions (Water-, Themepark)

EXAMPLE: Rixos - The Palm Dubai

OVER 1,000 VOUCHERS SOLD



OFFER:

- 1 Night stay in a Deluxe Sea View Room
- Buffet Breakfast for 2
- VIP Welcome Amenities
- 3-Course Lunch for 2
- 3-Course Candlelight Romantic Dinner for 2
- Unlimited beach and pool access
- Tea and coffee making facilities in the room
- Free high-speed Wi-Fi
- 2 passes for future beach and pool access

CONDITIONS:

- Valid for 2 Months (incl. blackout during Eid)

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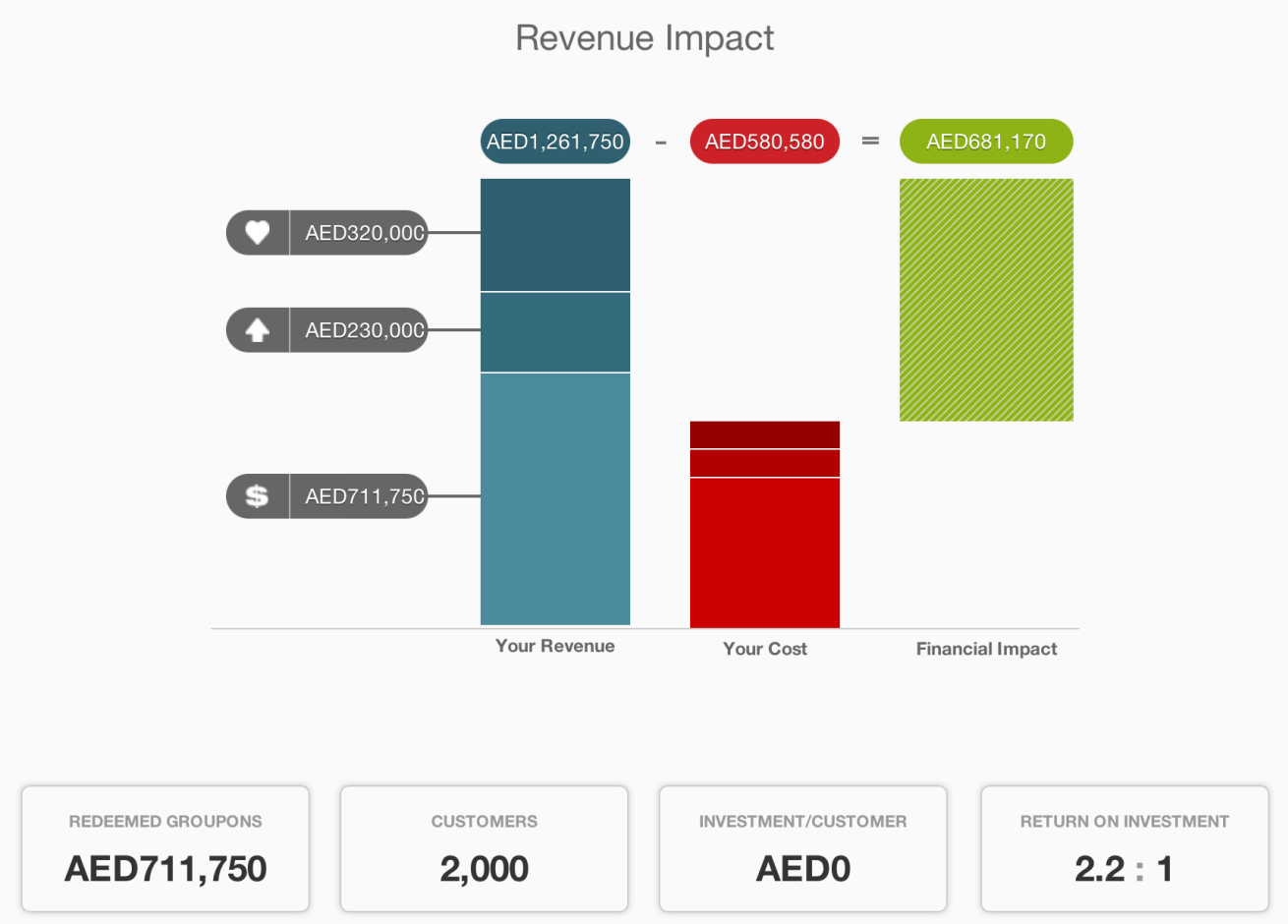
EXAMPLE: Rixos - The Palm Dubai



SOURCE: GROUPON BI

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TOP DEALS

Bab Al Shams: 5-Star Overnight Stay for 2 in a Room fit for a King including Breakfast and Hot Air Balloon Ride starting from AED 1150 – **400+ Sold**

Fly in style with the World's Leading Airline - 50 AED for a 500 AED Voucher to spend on a long-haul flight with **Etihad Airways** – **3000+ Sold**

Family Fun in the Sun at **Al Raha Beach Hotel**: 1-night Stay with 5-Star Meals, Beach Access & more starting from AED 640 – **800+ Sold**

Abu Dhabi: Family fun escape! Dune view Superior Room stay for Adults and Kids + Breakfast Buffet + Exciting Desert Outdoor Activities and More at the **Tilal Liwa** Hotel starting from AED 299 [Up to 58% Off] – **1000+ Sold**

Istanbul: 3N4D package w/ Hotel Stay, Return Tickets via Fly Dubai, Airport Transfers, Daily Breakfast & more starting from AED 1465 – **200+ Sold**

Bali Beckons! Save 72% for a 7 Night/8 Day Stay with a Private Pool for 2 at Sentosa **Private Villas & Spa, Semnyak Bali** for 2999 AED instead of 10900 AED – **300+ Sold**

With **Lufthansa** to Europe: Choose from 130 destinations in 38 Countries. Book your Lufthansa flight on lufthansa.com. Spend AED 50 for a AED 500 value voucher – **400+ Sold**

Escape to a romantic getaway with a loved one to The **Cove Rotana** Resort in Ras Al Khaimah! Overnight Stay w/ Breakfast Buffet, Dinner & Couple's Massage for AED 999 instead of AED 1,810 – **500+ Sold**

THANK YOU FOR YOUR ATTENTION

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THE OBE PROCESS

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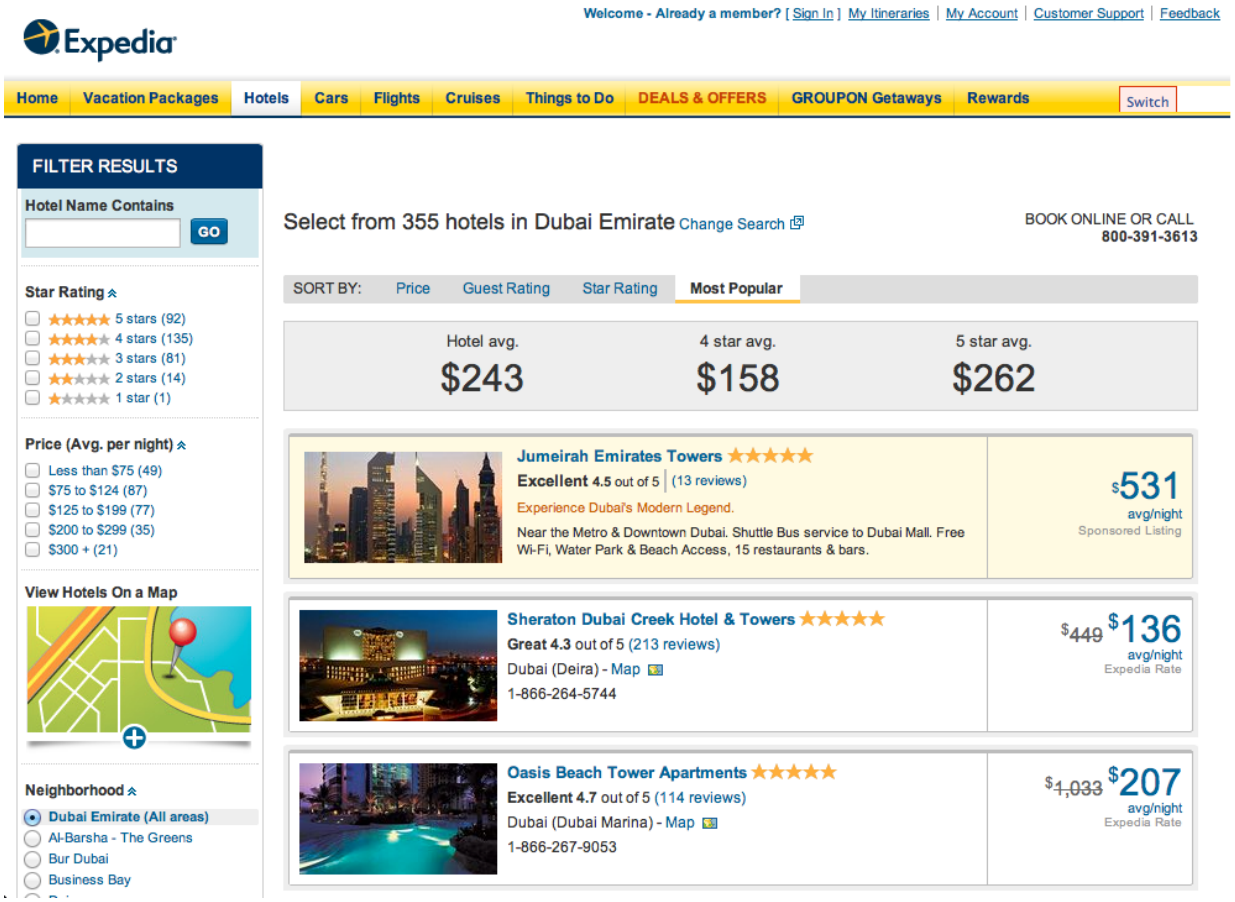
STEP 1: Hotel search for city delivers a broad variety of offers (355 hotels in Dubai)



SOURCE: Expedia.com

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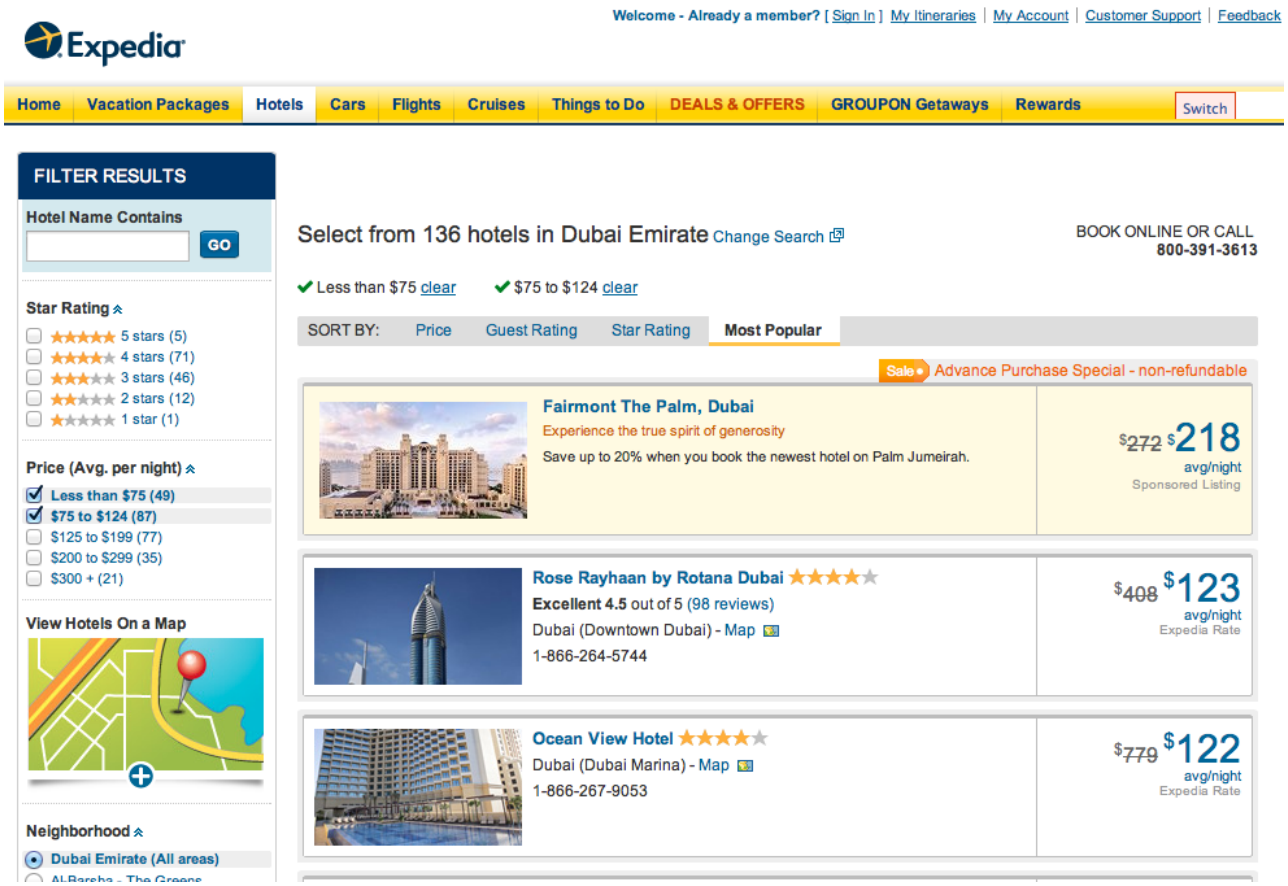
STEP 2: Filtering by price range reduces the selection of hotels to 136



SOURCE: Expedia.com

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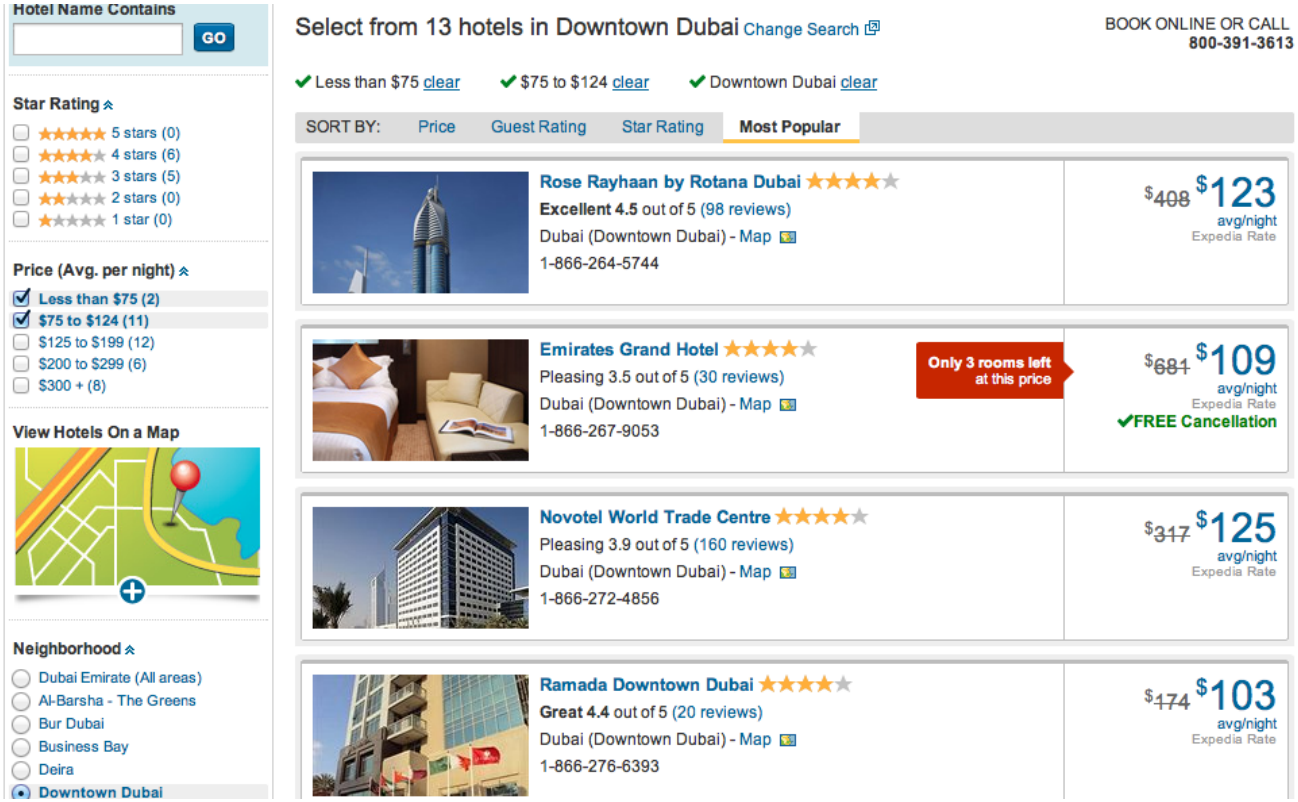
STEP 3: A further filter on location reduces the list of proposed hotels to 13 hotels



SOURCE: Expedia.com

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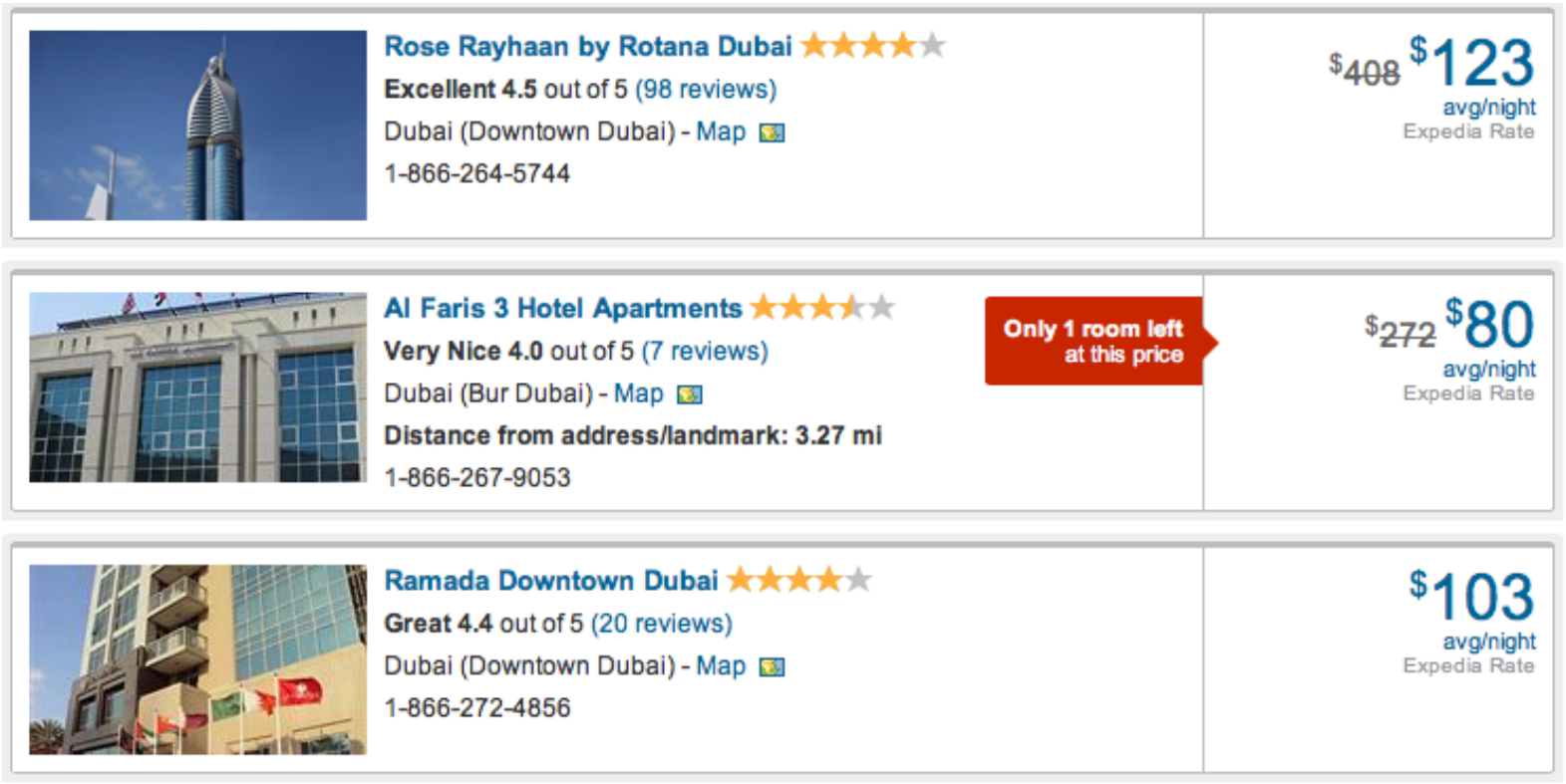
RESULT: Narrow selection of Hotels, only differing in 3rd party reviews and price



SOURCE: Expedia.com

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COSTS: Groupon vs. Online Booking Engine

Package Structure Groupon	5* Hotel & Resort High-Season Rate	Selling Price
Item		
Room	1.000,00	700,00
Breakfast (2 Pax)	150,00	70,00
Massage (2 Pax)	800,00	270,00
Internet	35,00	0,00
Buffet Dinner (2 Pax)	300,00	150,00
Total	**2.285,00**	**1.190,00**
Costs		510,00
Discount		48%
Groupon Share		25%
Credit Card Fees		0%
GDS		0%
Advertising		0%
Profit		**382,50**

Booking.com		
Item	BAR Rate	Selling Price
Room	800,00	800,00
Breakfast (2 Pax)	150,00	150,00
Total	**950,00**	**950,00**
Costs		300,00
Discount		0%
Booking.com Margin		12,0%
Credit Card Fees		3,5%
GDS		7,0%
Advertising		10,0%
Profit		**341,25**

SOURCE: GROUPON BI

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Alexander Kappes

CEO