

D&C deals website joins growing trend



Written by

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It might be the hottest trend in retailing today — group buying on the Web, using local merchants and handsome deals to attract the browsing bargain-hunter.

The online world is stocked with these discount sites, which essentially meld old-fashioned coupon clipping with the vast social potential of the Web. Groupon and LivingSocial are perhaps the best known of the sites, with Chicago-based Groupon having grown to 50 million subscribers in just three years.

There are Rochester-area entrants, too, including Roc 'n Deals, TryItLocal and GroupPigg.

Gannett Co. Inc., the Democrat and Chronicle Media Group's parent company, on Tuesday launched its own version, called DealChicken. The launch is part of a national rollout by Gannett, which plans to have DealChicken in more than 50 markets by the end of 2011.

The discounts on some of the sites can be spectacular — up to 90 percent on daily

items, with the proviso that the consumer locks into the deal before the clock stops ticking.

Some sites require that a set number of buyers take the discounted deal before the coupon is activated. The merchant and the website share the revenue generated by the deals, with the percentage potentially differing with each relationship. Ordinarily, participants are given three to six months to redeem the coupon.

As is always the case in retailing, group-buying primarily is about merchant and consumer. Using a voucher or coupon, you can buy a half-price dinner at a restaurant you might not otherwise patronize. The owner gets a customer who may return and could even become a regular.

In a tough economy, communities like Rochester get another way to help small businesses climb the mountain.

As Web-based group-buying has evolved, it has become a home mostly for service-

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related industries such as restaurants, salons, spas and the like.

"It doesn't work so well with business-to-business kind of operations," said Ellen Rosen, vice president of marketing, communications and membership at the Rochester Business Alliance.

The RBA recently started a group-buying site called TryItLocal/Rochester. "The goal is to help our members connect with their customers," Rosen said. TryItLocal is based on similar programs begun by chambers of commerce in Louisville, Ky., and other communities.

Ken Winchester, owner of Rock Ventures, an indoor rock-climbing center in Rochester, has done what a lot of small businesses have tried — submit the various group-buying sites to a tryout of sorts, with the goal of finding the one that's best and most profitable for his business.

This week, he's offering a deal on LivingSocial, but has already done two deals on Groupon.

"I was happy with the initial reaction," Winchester said. "I will definitely give the D&C site a try as it has helped my business a lot over the years."

"DealChicken provides another way to promote our great local businesses and all they have to offer consumers," said Dennis Floss, marketing director for the *Democrat and Chronicle*. "DealChicken representatives understand the

neighborhoods and blocks where Rochester consumers live, work and shop better than anyone else."

Referring to the challenging economy for retailers, George Cook, a marketing and psychology professor at the University of Rochester, said: "This is a good time for this (Web deals) to take place. It's a fairly creative solution and a good way to create awareness for a business and its brand."

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