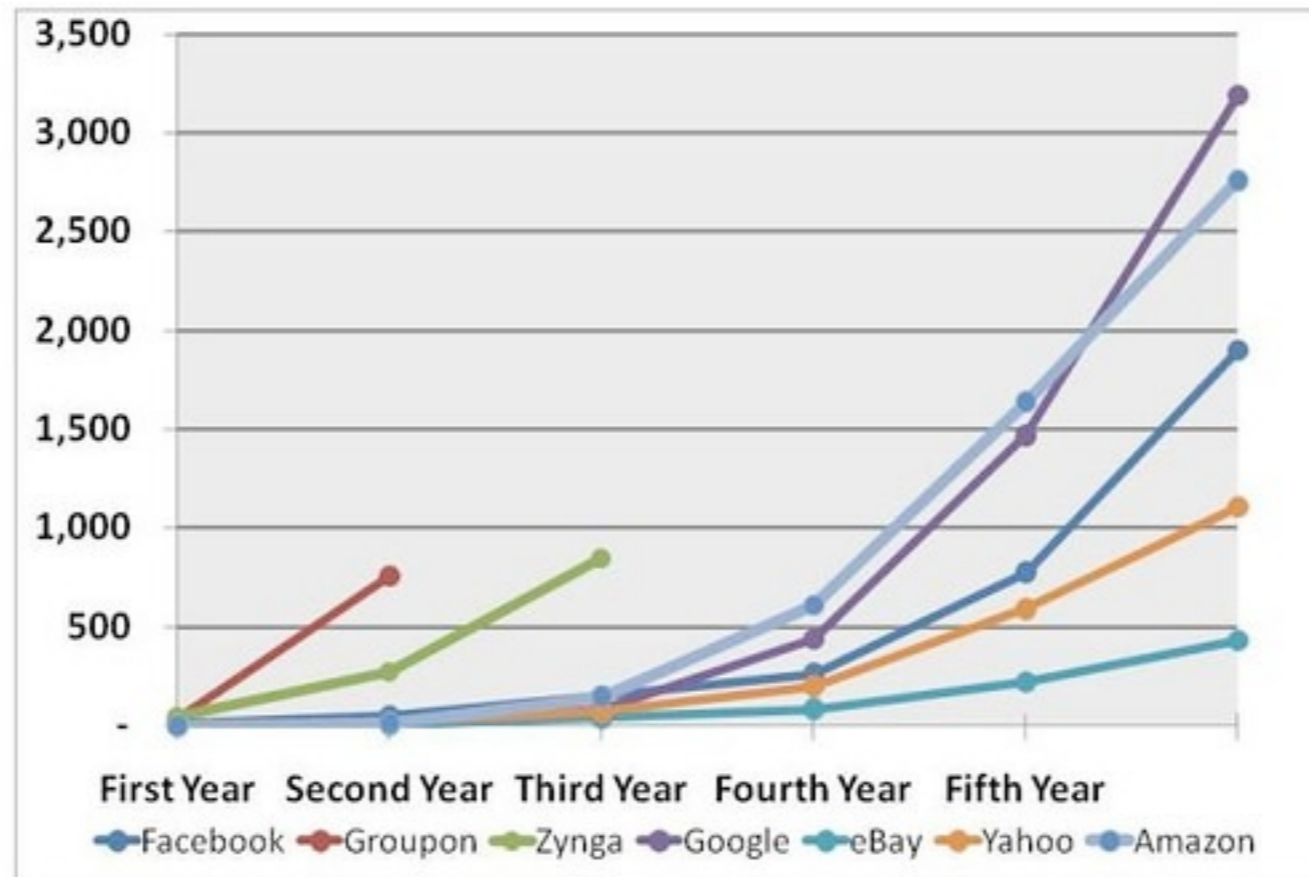


# Notes on Groupon

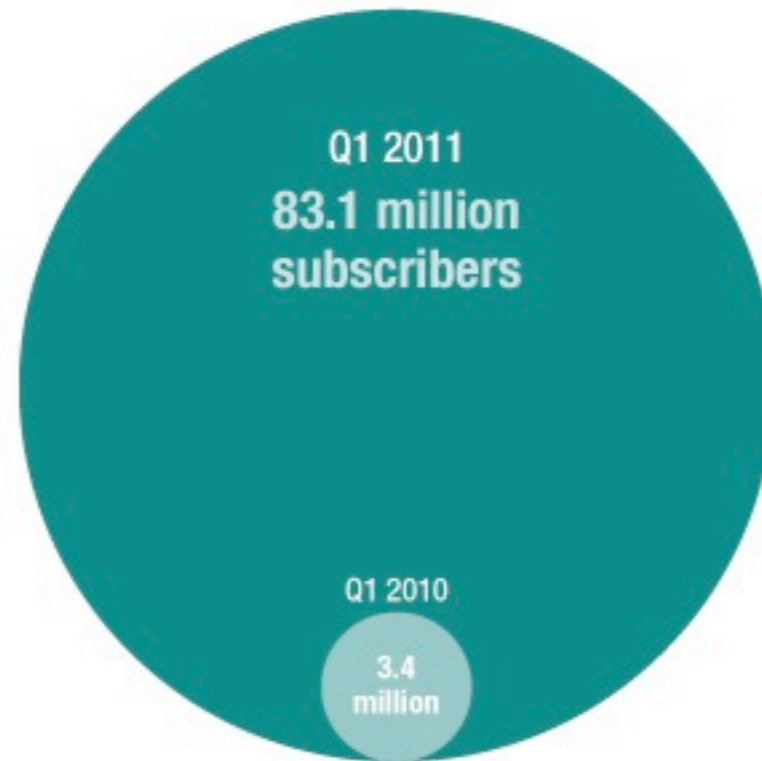
Felix Salmon  
Reuters.com  
DigitalK, Sofia, Bulgaria  
September 26, 2011

## Revenue Growth (\$M)

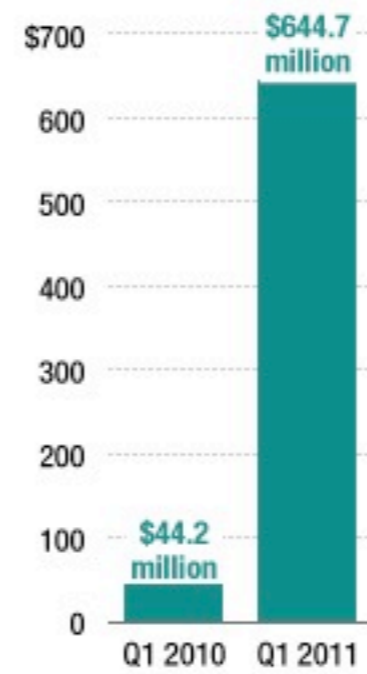


# Innovation #1: The early cash-out

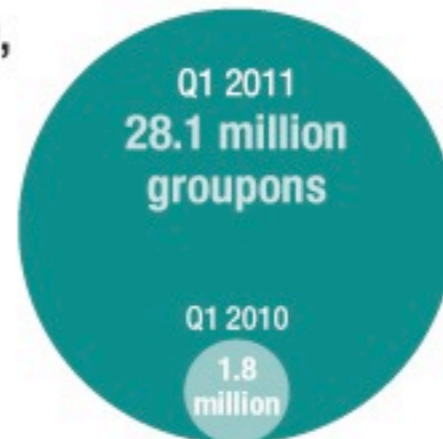
## SUBSCRIBERS



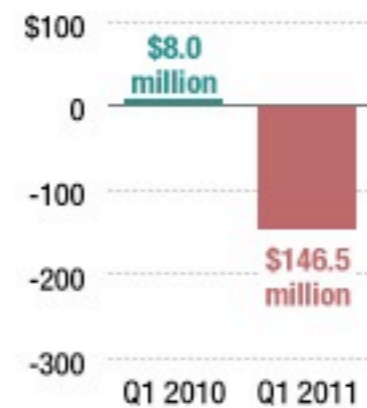
## QUARTERLY REVENUE (in millions)



## GROUPONS SOLD, PER QUARTER



## QUARTERLY PROFIT OR LOSS (in millions)



**Innovation #2:  
Cracking local.**

# Innovation #3: Guaranteed results

**Innovation #4:  
Pay advertisers up front**

**Innovation #5:  
Give ads away for free**



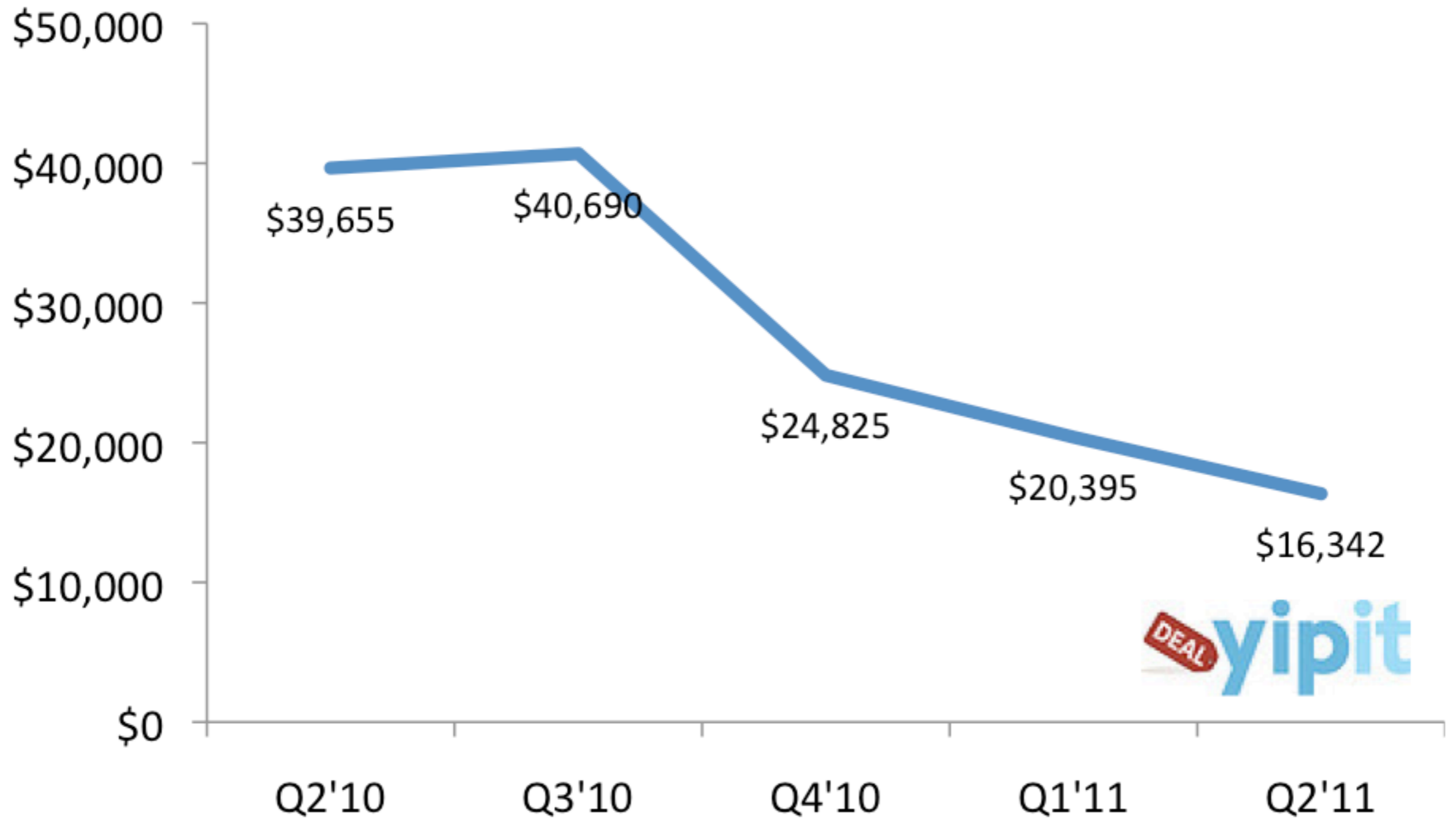
**Innovation #6:  
The Groupon as  
commitment device**

# Potential strengths

- Groupon Now
- Mobile
- Product
- Getaways
- Targeting

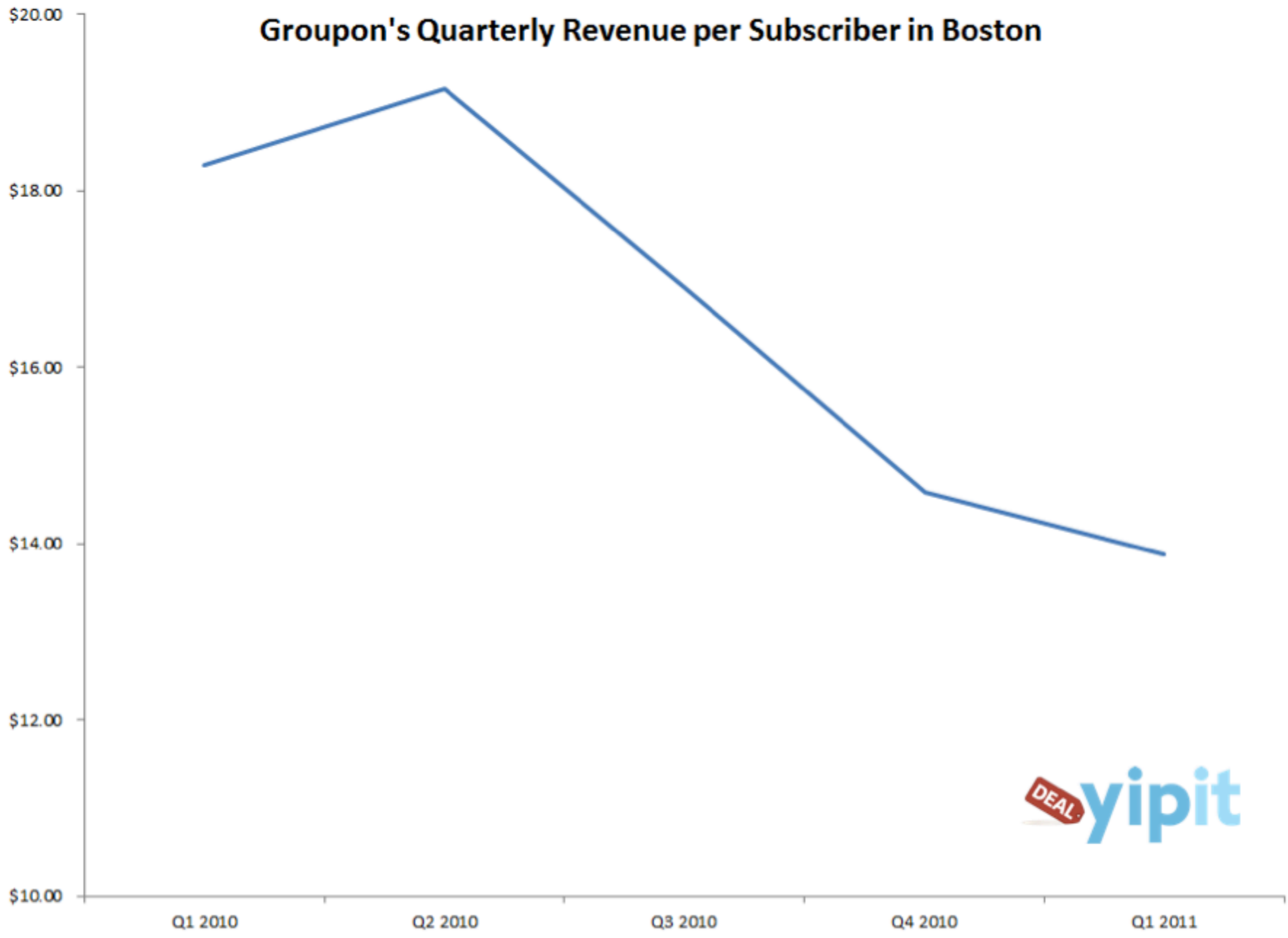
**Risk #1:**  
**Merchants desert**  
**Groupon**

## Boston: Revenue / Merchant



**Risk #2:**  
**Consumers desert**  
**Groupon**

# Groupon's Quarterly Revenue per Subscriber in Boston



**Risk #3:**  
**Groupon falls afoul of  
the law**

# The Big Risk: Reputation