

Google developing Groupon competitor called Offers

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Google Inc., which has expanded beyond its core search operations into mobile phones and other products, is developing a local coupon service similar to Groupon.

Like Groupon Inc., the service, [Google Offers](#), will offer time-limited deals from local vendors, such as restaurants. Ten dollars, for example, might buy \$20 worth of food at a local cafe.

"Google is communicating with small businesses to enlist their support and participation in a test of a pre-paid offers/vouchers program," said Google Inc. spokesman Nate Tyler.

Google would not say when Offers would be available or provide any more details about its plans.

While Groupon is Google's most obvious competitor when it comes to offering local deals, the field of coupon sites has rapidly grown to include sites such as LivingSocial and Tippr. Flash sales site Gilt Groupe and the newsletter DailyCandy also offer local deals.

Google has signaled it wants to expand in local advertising. Last year, it promoted Marissa Mayer, who oversaw the company's core search products to grow the company's geographic and local services business, and gave her a seat on the company's operating committee of top decision-makers.

The company also has reportedly tried to enter the local deals business by buying prominent companies in the field. Last year, Google, based in Mountain View, Calif., reportedly considered acquiring Yelp for more than \$500 million. And last month, it reportedly tried to buy Groupon for somewhere between \$5 billion and \$6 billion, but was rejected. [Groupon](#) has since raised an additional \$950 million in venture capital funding.

Currently, Google's Places service lets local businesses set up pages where the owners can post photos and other promotional information, and customers can write reviews. Then, these places can appear as pinpoints on Google's popular map network, Google Maps.

Shares of Google rose \$1.12 in after-hours trading after falling \$14.94, or 2.4 percent, to close Friday at \$611.83.

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