

# Charitable benefits help new daily-deal sites stand out

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They're like Groupon for bargain-hunting do-gooders. Two daily-deal websites based in the Nashville area have a charitable twist to their local online coupons: Part of the money goes to a local nonprofit.

Though much smaller than monster websites such as Groupon and LivingSocial.com, SharingSpree.com and RunDaisy.com are trying to break through consumers' and shop owners' daily-deal fatigue in a multibillion-dollar industry.

"We want to give them a reason to look at us," said Dave Culbreath, co-founder and chief of operations of RunDaisy LLC.

The deals are intended to help businesses boost foot traffic with no upfront costs, while charities get donations with almost no effort on their part.

In return, the websites get promoted to the often-extensive e-mail lists of donors and volunteers that the typical nonprofit operation maintains.

Both companies target women and consider themselves boutique sites with the types of subscribers more likely to click "Buy" on deals at salons, restaurants and other businesses offering bargains of 35 percent to 90 percent off.

"We're not trying to be all things to all people," said Culbreath, a former web designer/director in Nashville's entertainment and advertising fields.

"We are just trying to be all things to modern, trendy women."

Launched in Nashville in October, RunDaisy donates 10 percent of profits from each deal to charity. Buyers get to choose from one of eight Nashville nonprofits, including the Nashville Humane Association, Second Harvest of Middle Tennessee and the Nashville Rescue Mission.

It expanded to Dallas on Monday and it will start in Atlanta this month. It is considering adding Phoenix, Chicago, Kansas City, Orlando and St. Louis and plans to be in 15 markets by the end of the year.

Sharing Spree launched in Nashville and Portland, Ore., last July under the name MyEZdeal.com and rebranded in January under its new name, said Whitney-Faith Crisp, manager of business development in the company's Nashville office. Nashville serves as the eastern U.S. headquarters.

Sharing has raised more than \$23,000 for Nashville nonprofits and expects to give more than \$500,000 to charities for the full year. It plans to expand to Memphis, Tenn., and Birmingham, Ala., in the next three months, and to other cities as well, Crisp said.

If subscribers choose a "default" charity, every purchase they make at Sharing Spree includes a 5 percent donation to that particular charity. In addition, 10 percent of proceeds is directed to one of about 60 charities chosen for that day.

Participating businesses can choose to link their deals to a participating charity or even suggest their own favorite cause, which Sharing Spree will then feature on the day of their deal. Women make up about two-thirds of the consumers who use the service.

RunDaisy makes a point to feature small startups or unusual retailers,

such as art galleries, even if it means just three people buy a deal. On average, about 50 deals are purchased daily by the site's 5,000 subscribers, Culbreath said.

Sharing Spree said more than 100,000 people view their deals in Nashville. About half of deals purchased are by first-time customers to a business, Crisp said.

Consumers sign up online for a daily e-mail. Deals last only for a day, except on Friday, when the deals last all weekend.

The websites usually split the purchase price with the businesses, and the proceeds to charity come out of the website's commission. Once a deal is purchased, consumers usually have six months to a year to redeem a voucher. In some cases, a business will request a shorter expiration date to spark immediate sales.

That was the case for Cooper's on Porter, an East Nashville eatery that opened earlier this year. RunDaisy sold 212 \$15 vouchers for \$30 worth of food. The restaurant put a 30-day expiration date on the voucher in a bid to quickly bring in customers.

Makeup artist Windy Jones at Trumps Salon and Spa in Nashville said she has offered two facial peels through Sharing Spree as a way to bring in new customers.

In two separate deals, about 75 customers bought facial peels worth \$100 for \$40 each. About 90 percent of them have rebooked for full-price services, Jones said.

Jones said she tried to work out a deal with Groupon but was turned down because the online giant didn't think she'd be able to handle the volume of business likely to be generated.

"It's no cost to us, and we get a check in the mail. It's a no-brainer," said Jami Eller, executive director at the Tennessee Breast Cancer Coalition, which has partnered with Sharing Spree.

So far, it has received about \$2,000 after being the featured charity for daily deals on laser hair removal and manicures - a pair of services that resonated with the 3,000 donors and volunteers on the group's e-mail list.

The coalition provides emergency funds for breast cancer patients to cover such things as their rent or mortgage payments.

Girls on the Run, a nonprofit that promotes running among young girls, got its first check for \$240 recently from Sharing Spree. "As it grows, it could become a significant source of income," director Jennifer Kimball said.

The online boost to giving comes as many charities have faced fundraising challenges because of a slower economy and donors cutting back on gifts.

"It takes so much effort and manpower and energy to go about raising funds, and this is something that makes it easier," said Kat Hitchcock, executive director of Franklin, Tenn.-based Happy Tales Humane Society. Sharing Spree has already raised \$620 for the animal rescue group.

Founders of both websites credit Nashville's generous residents as one of the reasons for starting here.

Sharing Spree - bankrolled by two out-of-state investors - says it is already profitable, and RunDaisy expects to be that way by year's end. Hendersonville, Tenn.-based RunDaisy was funded by its two founders, Culbreath and nurse and medspa owner Lisa Grissim.

Other than Nashville, Sharing Spree and RunDaisy don't plan expansions to the same city at this point, although both are working to take their concepts nationwide.

"Studies show that the group buying market will continue to grow and is a rapidly expanding market," said Megan Lawler, a spokeswoman for Sharing Spree.

Whether there is room for both in one city remains unproved. "In a larger city, absolutely," Culbreath said. "In Nashville, only time will tell."

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