

LivingSocial's new CEO eyes an experience-oriented future

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Some big challenges lie ahead for LivingSocial, the online marketplace known for its daily deals and discounted prices on restaurants, spas and local activities. But that's where the company's new chief executive, Gautam Thakar, comes in.

LivingSocial hit its fair share of roadblocks over the last couple years, including multiple changes in leadership. The Groupon competitor cut some 400 employees in 2012, after it took a loss of \$566 million in the third quarter of that year because of poor acquisitions that dropped in value. It posted a net loss of \$183 million for 2013; in October of that year, hackers stole the data of more than 50 million customers.

Despite that, Thakar is optimistic about LivingSocial's future. The site reports holiday sales have been strong this year, including an 83 percent jump in mobile application gross billings on Black Friday, followed by a 14 percent increase on Cyber Monday.

While he is still in the early stages of mapping out LivingSocial's future, Thakar's vision could revamp how the daily deals company distributes its offers. And having joined LivingSocial after about a decade at eBay - including a stint as [chief executive](#) of eBay-owned Shopping.com - the seasoned executive has a few ideas on what it takes to reshape a business that relies heavily on community involvement.

Thakar recently spoke with the Los Angeles Times about his plans, which include helping LivingSocial's more than 40 million users enjoy

experiences in the world around them, instead of simply offering them heavily discounted coupons on online goods. Below is an edited transcript:

Q: What leadership lessons and experiences are you drawing on from your time at eBay?

A: LivingSocial at its core is a marketplace like eBay was, and it is in the business of connecting consumers to merchandise as well. EBay has been highly customer-centric company; the community was very, very important from the early days. We can benefit from doing more there.

For organization, one of the biggest lessons is that in a time of change transparency is important - letting team members know what problems you are solving and holding people accountable. Who owns what? Where there are overlaps and a lack of clarity, there is a lot of time spent running in circles.

Q: What do you think will help set LivingSocial apart from Groupon in the future?

A: Groupon is doing a great job, but they are getting into even more areas, such as goods, extensively. We are experience-oriented. We have had live events, adventures, and we create the imagery of the experience as opposed to who gets 50 percent off on goods. The audience we serve is generally more affluent - educated, affluent women are our audience and we see that in merchant response.

The company has historically had great deals for women, particularly during the Christmas season, when it comes to gifting. We think it will be a more unique experience in the future - things that you didn't think you could give. We will have the standard products, yes, but did you think you could give someone the experience of a [hot air balloon](#) ride,

for example? There's a lot of work to be done toward this direction.

Q: So how will you be shifting your focus?

A: We have perhaps been a little confused in our focus; we have a host of categories from restaurants to spas to events to goods. To some extent, this means seeing where we can add the most value to have an experience-based marketplace. If Amazon and eBay are the product marketplace, can LivingSocial be the experience marketplace? That doesn't mean having every experience, but seeing what you can do next weekend in the most compelling fashion to have a fuller social life. We are still fleshing that out.

Q: Will you still be deal-oriented?

A: I don't think we are in the [daily deals](#) industry; we probably never were. We are in the business of helping people discover interesting things around them. Our email has a deal and 50 percent off, which is a great value that will always be a part of what we do. But we want to be a marketplace of things to do beyond that, not just a 50 percent off voucher. It's a big shift.

And for us, it's a lot of asking what small merchants want. At the core, all merchants are looking for demand, driving for repeat customers. At our core, we want to help [small businesses](#) be more successful. That remains true to any direction we choose. We want to be a partner that helps them and works with them.

We have a new feature called "Connect." For merchants who have a daily deal and customers who bought something from them, they have the ability to thank them or to send email and give them attention and have a relationship with customers. This is something new that has been shaped by requests made by our small businesses.

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