LivingSocial cuts deeper, slashes 20% of staff

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Online deals group LivingSocial said Wednesday it was cutting a further 20 percent of its workforce as it transitions to become an "experiences marketplace."

The cuts will affect some 200 employees at Washington-based

LivingSocial, which was part of a once-hot segment for daily deals along with rival Groupon.

Chief executive Gautam Thakar said the latest reorganization is part of the company's shift away from the segment offering online discounts and coupons for retailers and goods.

""This action is difficult, yet it allows us to operate more efficiently, while focusing our investments into accelerating progress toward our mission of becoming a leading experiences marketplace," Thakar said in a statement.

The company has been focusing more on its own travel and entertainment offers, in the face of "deal fatigue" affecting the sector.

It launched a pilot program this year called Restaurants Plus that enables consumers to save money automatically by subscribing, and another that allows its members to instantly book beauty appointments.

"At the start of the year we announced our new direction and I am encouraged by the early customer feedback from our new pilot programs and today's action allows us to move forward in a more streamlined manner," said Thakar.

LivingSocial, partly owned by online giant Amazon, last year announced cuts of 400 jobs, which was 20 percent of the staff at the time, and in 2012 cut 10 percent of its staff, which had grown to 4,000 worldwide. The company has also scaled back its international operations.

The online deals segment was among the hottest a few years ago, prompting Groupon to launch an initial public offering that raised $700 million in 2011.

But Groupon's shares have fallen by more 80 percent from its 2011 highs, hit by what analysts say is consumer fatigue over online discount offers.

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