

# Montreal Gazette

## Group-buying making waves; Market is getting crowded, but arrival of giant Groupon seen as a positive

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Eduardo Mandri has a computer screen in his office where he keeps close tabs on all of the top daily discount coupons in Montreal, and how many people have purchased them.

"It's like watching the stock market," Mandri said. "We check several times a day."

Mandri is in the discount business. And the founder of Montreal's first group-buying site, Tuango, has been looking over his shoulder in recent weeks, as his marketplace has become much more crowded.

Group-buying sites offer daily discounts of between 40 and 90 per cent to local restaurants and services, which require a minimum number of people to purchase in order to be activated. The sites promote their deals through email lists, and social media channels.

Less than six months ago, there were no group-buying sites in Montreal. Now, there are more than a dozen, and plans for at least seven more to launch in the coming days and weeks.

On Wednesday, Groupon, the giant that started the group-buying phenomenon, will launch its Montreal site - its 16th Canadian city. Also on Wednesday, a new site called Swarmjam will launch. The site is owned by Postmedia Network Inc., which owns The Gazette. In mid-December, a site called Coucoupon will launch. Other new sites planned to launch are iget.it, Grooster, Wagjag, and Campusbargains.ca.

Local social media expert Sebastien Provencher foresaw the rise of group buying sites back in September, but said their growth has surprised even him.

"I think it's moving even faster than most experts predicted," said Provencher, cofounder of the company Praized Media.

He said much of the growth is due to the tremendous success of the original group-buying site, Chicago-based Groupon. The billion dollar company is rumoured to be in acquisition talks with Google. Provencher said he believes the group-buying marketplace is getting too crowded, and there will be some consolidation in the coming months. That has already started, as Tuango recently bought Rabaisdujour even before the site was launched. but Mandri said he's not yet concerned there's too much competition. "So far, we haven't seen a slowdown, and we've been growing steadily," Mandri said.

In such a crowded marketplace, Coucoupon co-founder Martin New says his strategy is to carve out a unique niche for his deal site.

"Most of the companies offer deals that are for couples or individuals. They focus on restaurants or spas, but our site will be much more for activities the whole family can enjoy," he said.

Coucoupon will target families and tourists by offering discounts for activities such as skiing, and snowmobiling in the winter, and whitewater rafting in the summer, New said. It will also offer a loyalty program where users can collect Coucou points.

As for Swarmjam, its strategy is to take advantage of Postmedia's resources to promote the deals both online and in all of Postmedia's newspapers.

Alvin Brouwer, the president of business ventures for Postmedia Network, said this is a good market for newspapers because it allows them to go after smaller merchants that typically don't advertise.

"Most of the clients have pretty small ad budgets, so this is also a fabulous way for them to attract new clients," Brouwer said.

Swarmjam, as with most group-buying sites, doesn't charge merchants to list with them, but they split the coupon purchases.

A list of many of Montreal's daily deals is listed on the site Onespoint.com.

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