

Coupon Companies Rise As Consumers Hunt Deals

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For Muscovites struggling with the city's inflated prices and exorbitant leisure costs, there are now a host of sites offering daily deals based on the model that has made Groupon the huge coupon behemoth it is in the United States.

The sites, including Groupon, offer discounts on a wide range of products and services and are gathering a considerable following across Russia and the former Soviet Union.

Anyone subscribing to the KupiKupon service, for instance, could sign up Tuesday to an eclectic collection of offers, from a dinner for two for 1,000 rubles (\$32) to a 65 percent discount on a psoriasis treatment or two-fifths off the price of a laser epilator.

By purchasing vouchers, customers can make savings of up to 90 percent. The vouchers become active once a certain number — usually from 15 to 20 — have been sold, at which point the purchaser is notified via e-mail and the offer opens. If a minimum number of

coupons is not sold, the offer becomes null and the customer is not charged.

For one-off user Marat Khusyainov, 31, the attraction was mainly to see how the system worked. He described the process as easy and was satisfied after redeeming his voucher for cut-price sneakers. "The only advice I have is to act quickly, since there are often many bidders," he said.

After hearing about the service from a friend and reading other users' comments, regular user Olga Lazareva, 38, never looked back, buying through KupiKupon discounts on massages, haircuts and sushi delivery. And even though the undiscounted prices listed on the company's site were sometimes overstated, a common complaint among users, the offers "were still worth the money," she said.

The coupon companies — Groupon's name is formed from the words group and coupon — make their money by taking a cut on every coupon sold, on a sliding scale from 30 percent to 50 percent. Businesses use their sites for a number of reasons, to boost marketing, rid themselves of unwanted stock or just get people into their establishment on a wet, miserable Tuesday in October.

Groupon, which was founded in 2008 became, according to Forbes magazine, one of the fastest-growing companies ever and quickly inspired copycat companies.

It now has more than 83 million subscribers and currently serves more than 40 countries, including Russia. Another coupon site is Biglion, which like KupiKupon was founded less than two years ago on the back of Groupon's success.

KupiKupon appeared in Russia in 2010 and now operates in 74 cities nationwide, as well as in Ukraine, Belarus, Kazakhstan and the Baltic states.

The company says it now has more than 2 million users in Moscow alone and plans to double its user base before 2013.

The offer of the day in Perm on Tuesday was permanent cosmetic eyebrows for 1,800 rubles.

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