

Groupon could be looking to acquire Yelp amid shareholder discontent

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Groupon, the struggling Chicago-based deals site, could be eyeing the acquisition of online review site Yelp.

Shareholders are unhappy with Groupon's financial performance and [stock price](#), and a potential acquisition could boost the value and earnings potential of both companies, the Wall Street Journal reported Wednesday, citing people familiar with the matter. A matchup could result in a combined [online platform](#) where consumers could read reviews and make purchases.

Yelp and Groupon declined to comment.

Groupon's stock hit an all-time low in mid-August of \$2.32 a share and on Wednesday closed at \$3.01. Yelp closed Wednesday at \$34.60 a share.

A Yelp-Groupon merger has been floated before, in 2016, with Yelp as the potential buyer. That same year, Groupon acquired one of its biggest rivals, LivingSocial, for an undisclosed amount. Last year, there was speculation that Groupon was looking for a buyer.

Groupon launched nearly 11 years ago with a two-for-one pizza deal at a Chicago bar. Its business model resonated with recession-scarred customers and small merchants, and it became one of the city's great tech success stories after the dot-com boom.

The rise was meteoric, and Groupon became a household name. The company turned down a nearly \$6 billion acquisition offer from Google in 2010, opting to go public instead. It made its debut on Nasdaq in November 2011 at \$28—a price it hasn't seen since.

The company has spent the past several years scaling back and reconfiguring the ways it reaches consumers.

The company reported second-quarter revenue of \$532.6 million, down about 14% year-over-year.

In a July 30 letter to stockholders, Groupon CEO Richard Williams said though the company faces headwinds, it is expanding its reach through its mobile app. Williams also cited several partnerships and new products Groupon has rolled out that show promise, such as Groupon Select, which offers exclusive deals to paying members.

The company is focused on becoming a daily habit in local commerce, and is making progress, the letter said. "We are well positioned to usher in the new Groupon and improved results for our customers, merchants and stockholders," Williams wrote.

It also laid off about 20 employees in March, including writers and photographers.

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