



Article Title

Competitive Advantage or Market Saturation: An In-Depth Comparison of Flash-Sale Sites Through Content Analysis

Citation

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Abstract

This study aims to identify the representativeness of hospitality and service industry firms on flash-sale sites such as Groupon and LivingSocial. Currently, academic findings related to the frequency of offerings from these firms are nonexistent. This research relied upon a content analysis rubric and daily measurement of offerings from randomly selected cities represented by Groupon and LivingSocial for a period of 6 weeks. The daily offerings for specific cities on the Groupon and LivingSocial sites were utilized as the primary data sources. Findings indicate firms in these industries, outside of restaurants, have shunned away from offering their services via flash-sale mediums.

Methods

This study aimed to identify the frequency of offerings, average advertised savings, and the percentage of hospitality and service related offers available on Groupon and LivingSocial. The areas of content measured included hotels, transportation offerings, restaurants, and a variety of other service related businesses. In an effort to ascertain qualitative data that is representative of the daily-deal offerings of the two websites, two separate analyses were conducted.

Results

The research findings demonstrate restaurants frequently utilize flash sales as a promotional tool. However, the abundant representation of these types of firms has created a scenario in which operators are compelled to offer deep discounts to make their offers competitive with offers from competing firms in the same city.

Conclusion

The 6-week qualitative content analysis provided keen insight into the types of offerings on flash-sale sites. Six service related categories based on SIC codes were monitored and nonservice-related offers were grouped into a separate category. Additionally, offer frequency, total number of offers, average daily listings, and perceived savings were measured. This section will examine the key findings of this research, and then discuss the findings in relation to the six SIC categories, which included hotels, motion pictures or sporting events, amusement and recreation activities, museums, art galleries, and zoos, restaurants, and

transportation. Finally, the focus will then shift to the other category and finish with an overall examination of average listings, savings, total listings, and which factors influenced the frequency of offerings.