Maxxed Out: TJX Companies and the Largest-Ever Consumer Data Breach

Pros for Merchants
- Expand market share
- Target right consumers
- Providing exclusive deals that retain consumers
- Increased revenue

Cons for Merchants
- Net loss for merchants
- Detrimental customer retention
- Vandalized brand (investigation needed)

References
Maxxed Out: TJX Companies and the Largest-Ever Consumer Data Breach

Pros for Merchants
- Expand market share
- Target right consumers
- Providing exclusive deals that retain consumers
- Increased revenue

Cons for Merchants
- Net loss for merchants
- Detrimental customer retention
- Compartmental issues in investment

References
Practical Benefits & Consumer Psychology

Practical Benefits:

- More willing to try something new at a discounted price
- Plenty of local merchants and destination
- Spots available
- Great deals
- Instant gratification
- Social activity
- Don’t need to buy deals very frequently to remain motivated
Pros for Merchants

- Expand market share
- Target right consumers
- Providing exclusive deals that retain consumers
- Increased revenue

CaseISM.com
Cons for Merchants

- Net loss for merchants
- Detrimental customer retention
- Uncertain return on investment

caseism.com
Customer Satisfaction

Pros
(1) Easily access offers through online website, mobile interface and social network sites (Facebook)
   • Opt in/opt out program
(2) 650% expansion to Escape deals
   • Quadrupled # of deals available
   • Available for every lifestyle segment

Cons
(1) Slow customer service
   • Over emphasis on merchants
(2) “read the fine print”
Recommendation

- Living Social is lacking brand awareness and needs to further motivate its consumers
- Currently, loyalty is not instrumental to daily deal websites success but it is an area in which Living Social can capitalize on
  - Improve both consumer loyalty and merchant loyalty
Strengths

- Multi-channel retailing
- Personal Marketing
- Strong Merchant Relations
- Product Differentiation

CaseISM.com
Weaknesses

CaseISM.com

- Lack of technological security
- Encourages one-time shopping and “deal junkies”
- Suppliers do not want to damage their brand with such high discounting