Beat: Business

Struggling daily deals firm Groupon fires founder Andrew Mason

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USPA News - Struggling online deals pioneer Groupon on Thursday fired founder and chief executive Andrew Mason, just a day after larger-than-expected fourth quarter losses of more than $81 million sent the firm`s share price plunging more than 24 percent. The Chicago-based company, which specializes in discounted gift certificates which can be used at local and national firms, said it appointed Executive Chairman Eric Lefkofsky and Vice Chairman Ted Leonsis to the newly-created Office of the Chief Executive on an interim basis, replacing Mason.

"On behalf of the entire Groupon Board, I want to thank Andrew for his leadership, his creativity and his deep loyalty to Groupon," said Lefkofsky, adding that the firm`s board has commenced a search for a new CEO. "As a founder, Andrew helped invent the daily deals space, leading Groupon to become one of the fastest growing companies in history." Mason, known for being unconventional, colorful, and full of humor, announced the news in a memo to employees. "After four and a half intense and wonderful years as CEO of Groupon, I`ve decided that I`d like to spend more time with my family," he wrote. "Just kidding - I was fired today." While the company provided few details in its official statement, Mason said he as chief executive should be held accountable for the company`s poor results. "You are doing amazing things at Groupon, and you deserve the outside world to give you a second chance," he told employees. "I`m getting in the way of that. A fresh CEO earns you that chance." The news came just a day after the daily deals firm revealed larger-than-expected losses during the fourth quarter. It posted a loss of $81.1 million, or 12 cents a share, during the period, significantly higher than the loss of $65.4 million during the same October to December period a year earlier. "If there`s one piece of wisdom that this simple pilgrim would like to impart upon you: have the courage to start with the customer," Mason added in his memo. "My biggest regrets are the moments that I let a lack of data override my intuition on what`s best for our customers. This leadership change gives you some breathing room to break bad habits and deliver sustainable customer happiness - don`t waste the opportunity!" Leonsis, in the firm`s official statement, said Groupon will continue to invest in growth and said he is confident the company is well positioned for the future. Groupon made a splash with its 2011 stock market debut but has since been plagued by fears of deal fatigue and concerns about its profitability.

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