

SHOP
NOW!

FLASH FORWARD

Designer DEALS are calling out to tech-savvy fashionistas. TEXT: BARBARA BALFOUR

the time between 11 a.m. and noon has become the new witching hour for the latest generation of stylish shoppers. At their desks, in the backs of cabs or waiting in line at the airport, they eagerly watch their emails for the telltale call to spend. One day, the message reads “Fall’s look of luxe! Up to 70% off this season’s staple pieces. Plus, check out what’s just in today!” Another e-blast tempts them with promises like “Up to 65% off T by Alexander Wang! Plus, just in: Matthew Williamson, Marni and more.” A day later and they up the shopping ante further by offering “Emanuel Ungaro! Up to 80% off bold, beautiful style.”

These are just a sampling of the hard-to-resist almost-daily offerings from TheOutnet.com, Net-A-Porter.com’s flash-sale website that sells discount

designer fashions. But the most dedicated online shoppers don’t rely on only one source when it comes to getting their retail fix; aside from The Outnet, they’re trolling RueLaLa.com, HauteLook.com, Gilt.com and BeyondtheRack.com in search of their next great steal.

Fashion’s once-exclusive sample sale has moved from the warehouse (for insiders only) to the Web (for anyone with a credit card and a desire to spend). Any initial resistance to buying online is clearly on the wane. In Canada, online spending is expected to reach \$18.5 billion in 2011—a 12-percent increase from 2010—and by 2015 it will nearly double to \$30.9 billion, according to Emarketer.com. Recent figures from Statistics Canada indicate that the most common types of online purchases are travel services; entertainment products (such as concert tickets and books); and clothing, jewellery and accessories. ▷

JUST
IN!

EDITOR CONFESSION MY ONLINE SHOPPING LESSONS

I’m a late bloomer when it comes to online shopping. But this summer, I spotted a to-die-for pair of black Helmut Lang skinny jeans on The Outnet for only \$60. They were too good to resist. Sadly, when the jeans arrived, I could barely get my feet into the leg holes, so I promptly sent them back. When the bill came, I realized that my MasterCard was charged \$112 but I was only refunded the original \$60 because of return fees and a one-way shipping charge. It essentially cost me \$52 to try on the pants! Lesson learned. That experience quenched my desire to shop online—for a while—until I found myself on Net-A-Porter.com one lonely Saturday night. That’s when I saw it: the Marc Jacobs Hillier Hobo bag—a steal at \$280. In a daze, I was about to hit Buy when I decided to zoom in on the image of my coveted purse and discovered that it wasn’t real leather—and, OMG, is that faux pony hair? Cancel, cancel, cancel! Phew, that was a close one. ALANNAH O’NEILL



WHAT ARE THE CHARACTERISTICS OF A FLASH-SALE WEBSITE?



BEYONDTHERACK.COM STATS

Average item cost \$35.

Average order price \$100.

Number of products featured in one week 2,500.

15 The average number of shopping events a day.

More than half of the site's 4.5

million members joined after receiving an invite from a friend who was already a member.



But the business opportunity that is generating all the buzz is the flash sale. South of the border, Nordstrom Inc. recently acquired the top flash-sale site HauteLook.com, while Amazon's MyHabit.com is going head-to-head with eBay's Fashion Vault (fashionvault.ebay.com). Meanwhile, Saks Fifth Avenue has just launched its own flash-sale site, SaksFashionFix.com, and American Express is bringing Vente-Privee.com—the billion-dollar-a-year French website that pioneered the flash-sale concept—to the U.S. market before the end of the year.

Shoppers who want to avoid the shipping fees and extra duty costs associated with these flashy south-of-the-border offerings head to BeyondtheRack.com. The Montreal-based flash-sale site—which was launched in 2009 as a four-person startup—now has 240 employees, 4.5 million shopper members and \$100 million in annual sales. It also earned the top spot on *Internet Retailer's* 2011 list of the continent's 500 largest

e-tailers. But it's not the only e-shop in town; over the past six months, other flash-shopping sites, like Dealuxe.ca and ThePeacockParade.com, have joined the race to cater to online Canadian customers.

One potential downside to flash sales for retailers is that they have made the concept of full price “very fuzzy,” says Paco Underhill, author of *What Women Want and Why We Buy*. “We get so addicted to the sale that it’s hard to understand why a blouse that costs \$250 in September is being discounted for \$100 in January,” he says. “What’s it worth in the first place?” Case in point: At a recent flash sale on ThePeacock Parade.com, BCBGeneration sandals

DISCOUNTED NAME-BRAND PRODUCTS Usually of-the-season brand-name items at discounts of anywhere from 30 to 90 percent off, but, increasingly, sites are also offering out-of-season merchandise and products created specifically for flash sales.

PRIVATE MEMBERSHIP AND VIRAL INVITATIONS

Most flash-sale sites offer membership by invite only, but they typically offer incentives to current members to sign up their friends. BeyondtheRack.com (where anyone can sign up online) and ThePeacockParade.com offer a \$10 incentive to members for each person they invite to join who goes on to make a purchase.

TIMING IS EVERYTHING

Flash sales typically start at the same time every day and run for a limited time, which increases the speed at which people react to deals and spread the word about sales virally to their friends. During these sales, some sites, like BeyondtheRack.com, use a reservation time buffer, so an item placed in your cart won’t sell out by the time you complete your order. Other sites, like TheOutnet.com, don’t have a time buffer, which encourages shoppers to complete a transaction immediately.

that normally sell for \$125 a pair were on offer for \$29, and a \$2,250 Gucci bag was only \$599. On BeyondtheRack.com, a pair of \$385 Rock & Republic crystal-studded pumps were discounted to \$99.

“The excitement of getting a time-sensitive deal has massive appeal across virtually every market category, whether it’s a coupon for a can of beans or a designer outfit,” says Bridget Brennan, CEO of the ▷

Chicago-based strategy firm Female Factor and author of *Why She Buys*. “Getting a deal has become like a game for many people. Can you win by being one of the first few people to seize the deal? Can you tell your friends about it later? There’s a lot of adrenaline that comes from feeling like you’ve beaten the system.”

For some, however, that adrenaline rush blossoms into compulsive online shopping. “Research suggests that the Internet is a strong trigger for compulsive buyers—even more than stores,” says April Benson, a New York-based psychologist who treats shopping addicts. “The variety of products offered by flash sales, the ability to buy unobserved and the emotional rush this generates on any given day is the hook. The limited-time offer—and the fear that they may miss out on something—also triggers them to buy.”

Results from a 2009 survey of more than 300 online shoppers, conducted at Virginia’s University of Richmond, found that compulsive buyers spent 50 percent more on fashion online than they did at traditional retail stores, whereas non-compulsive shoppers reported no difference in the amount they spent on clothing between online and physical retail environments.

The results—which were published in a study in the *Journal of*

Retailing—concluded that the online environment is the trigger for consumers with compulsive buying tendencies. Being able to shop anonymously 24-7 and quickly buy whatever they want at the one-click express checkout leads to instant gratification.

This year, the researchers published additional data that shows that it’s not just the ability to buy online that lures the compulsive shopper but also the prospect of buying well-known brands on sale and the pleasure of being able to take advantage of a promotion or get a great deal. They also found ▶

EDITOR CONFESSION

I'M ADDICTED TO THE OUTNET

Six months ago, I was blithely unaware of The Outnet; now I’m a full-fledged addict. Every day at 11:30 a.m., my BlackBerry flashes as the email alerts appear. I’ve already scored some of my favourite wardrobe pieces from The Outnet: a By Malene Birger woven dress, an Anna Sui shift and a pair of watermelon Marni heels. The siren sale call is just too strong to resist. Within seconds, I’m browsing things I have never considered (or even knew existed) and they suddenly seem like necessities. How is it that I’ve been able to survive without a camo-print Missoni cape or Hervé Léger suede booties? I wonder. “I’ll wear it with everything” becomes my mantra as I add items to my basket. Satisfied that I’ve scored the best options, I check out. “You’ve saved \$1,629!” The Outnet boldly affirms. If only I could bank the savings. Below, the much smaller, unbolded text whispers the amount that will actually be charged to my Visa. Confidently, I click Purchase (my personal information is already on file, eliminating the crucial pause moment) and euphoria soars! Moments later, I experience a twinge of buyer’s remorse. How much did I just charge? The adrenaline and the panic that the sky-high Hervé Léger suede booties would be sold out had clouded my judgment. (And days later, when the booties arrive, I can barely walk in them.) I swiftly calculate when my rent is due and when my next paycheque will come. I resolve to give The Outnet a break. But the next morning, at 11:30 a.m., my BlackBerry begins flashing yet again. Who needs electricity? Candles are far more romantic, I say to myself as I log on to see what new deals are available today. ALLY DEAN

FOR A NATURAL-LOOKING
RADICAL COMPLEXION

HYDRA-C

PERFECT FUSION
MEDIUMPERFECTS,
ENRICHES, ILLUMINATES

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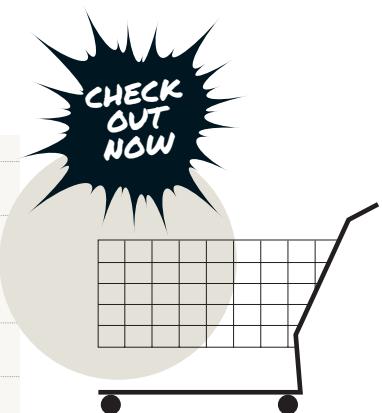
- OIL FREE, HYDRA-C
- PARABEN FREE
- NON COMEDOGENIC
- DERMATOLOGIST TESTED



ELLE SOCIETY

NET-A-PORTER.COM STATS

Most popular item Christian Louboutin pumps. **Website traffic peak** When the "What's New" emails go out around 11 a.m. The site (which leaves flash sales to The Outnet) gets more than **four million visitors** every month, with orders from as far and wide as Bangladesh and El Salvador.



THEOUTNET.COM STAT

When The Outnet hosts a Christian Louboutin flash sale, a pair of shoes is sold every **nine seconds**.

that compulsive buyers place more emphasis on buying prestigious and national-brand products and report experiencing significantly more pleasure from getting a deal than non-compulsive buyers do.

Benson believes—and hopes—it's only a matter of time before shopping websites begin to feature information about shopping responsibly. "I know it might seem like a conflict

of interest, but we do it with tobacco and liquor and I think we need to do it with shopping sites where people are prone to overdoing it."

But, says Underhill, when it comes right down to it, we are responsible for our own shopping behaviour. "We can't look at merchants and blame them for our shopping habits," he says. "We don't blame the Domino Sugar Company for obesity. We don't blame Labatt for alcoholism. If you spend more money than you can afford, it's your problem." □

EDITOR CONFESSION MY ONLINE HEARTBREAK

I know all about Ally's "Just In" adrenaline rush. I'm a member of Gilt Groupe and Beyond The Rack, but Net-A-Porter's email notifications are my true retail nirvana. I hit the motherlode when I discovered a killer 3.1 Phillip Lim camel robe coat last fall on Net-A-Porter. I began making daily online visits to look at it from every angle and zoom lens. (When I fall in love, I fall hard.) Framed in the minimalist, slick background of the website, this coat was the business: modern, elegant, chic. Yes, the price was a tad prohibitive. Yes, the sleeves were elbow-length and I live in Canada. But obsession is blind. And the sartorial geniuses behind the hugely successful designer-shopping website had it paired beautifully with a Miu Miu cross-body bag and Acne stiletto boots—the woman I needed to be. I saw myself marching purposefully through Toronto, street-style photographers falling over themselves to document my brazen disregard for slush, dirt and streetcar slime while wearing this (sublime) beige, double-face ribbed-wool coat. But, she who hesitates is lost: My size sold out. Fantasies turned to panic and then dismay. One bereft month later, while in Manhattan for work, I found myself with a 30-minute window of free time. Racing across town in a taxi, I rushed upstairs at Barneys, knocking slow-moving tourists out of the way and brushing off sales staff with aplomb. I knew what I wanted. Give me the damn medium already. It was, as I knew it would be, stunning. I slipped it on, relishing the zipper details on the pockets and the thin, black leather belt. But love truly took me by surprise that day: I looked like a dumpy, flat-arsed potato in this coat. The dream was over. VANESSA CRAFT