

RETAIL

Luxury discounting does not need to be "dirty word" if service is on point

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Photo courtesy of Yoox Net-A-Porter Group's The Outnet

By STAFF REPORTS

NEW YORK Yoox Net-A-Porter Group's The Outnet is working to redefine previous season retailing by not skimping on service despite lower price tags.

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During the "Redefining the Previous Season Model as a Global Fashion Business" keynote at Luxury Interactive 2016 Oct. 18, Andres Sosa, executive vice president sales, marketing and creative at The Outnet explained that off-season retail gets a bad rap, and discounting in luxury is often dubbed as a "dirty" word ([see story](#)). When The Outnet launched, it did not want to be lumped together with other discount sellers, or flash sale sites, choosing to provide the same level of service its fellow YNAP brands provide.

On sale service

At launch, The Outnet expected its consumer demographic to be bargain hunters, priced out of luxury shopping, who did not mind wearing last season's collections. To the brand's surprise, The Outnet woman is a savvy consumer who decides when, where and what she buys regardless of season and pricing structure.

The average consumer on The Outnet has an average income of \$100,000, is approximately 38 years old and travels often, up to six to nine times a year for leisure and business.

Broken down further, The Outnet serves "budget fashionistas" who can only buy luxury pieces on sale, the "luxury fashion follower," a consumer that can shop full price, but is on the lookout for more reasonable prices.

The Outnet customer profile was echoed in findings from its global social media behavior survey, which noted a "harmonious contradiction" when using the social platforms of Facebook, Twitter and Instagram. It was observed that while users strive to be an individual, desires one-off fashion pieces, but want to be part of a tribe and share moments with the world. Mr. Sosa summarized this to the selfie and its relationship to personal growth and status.



Footwear is one of The Outnet's most popular product categories

To speak to its global audience, The Outnet relies on service and visual marketing tactics on par with its full-price siblings Yoox and Net-A-Porter.

The Outnet's service uses a tailored approach to reach its consumers. The retailer ships to 170 countries and is a truly global brand. With such a large radius, The Outnet speaks to consumers through geotargeting.

Mr. Sosa used Australia and the United Kingdom as examples due to the seasonal differences between the two markets. An Australian consumer is pushed relevant content and merchandise in its summer months while a London-based shopper is given a winter-themed version.

Geotargeting also extends to The Outnet's weekly Style Guides, a product, brand and trend editorial. The weekly feature is planned on Wednesdays, taking into account a location's breaking news, weather and season, and shared on Fridays for a hyper-localized, to the city level, of a consumer.



Sales promotion on The Outnet

Mr. Sosa shared that 5 percent of The Outnet's consumer base generates 41 percent of its revenue. He attributes these sales to the retailer's organic content pushes because the personalization and brand voice speaks directly to its consumer.

The Outnet also feels that consumer retention in the discount retail space is reliant on service. To reward its frequent VIP consumers, The Outnet does not give extra discounts, but rather amplifies access to enhance the

overall experience had shopping its off-price offerings.

These access points include pre-sale, invite-only VIP sales and offline events. In the digital space consumer access is enhanced by editorial and buyer teams participating in content generator, chats and other activations.

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