ONLINE DISCOUNT RETAIL TRENDS AND FLASH SALE PERFORMANCE AT GILT GROUPE, INC.

GILT GROUPE, INC.

MISSION: Gilt provides instant insider access to today’s top designer labels, at up to 70% off retail. Become a member and find something new every day for women, men, kids and home as well as exclusive local services and experiences. Sign in and see what inspires you today.

CUSTOMER PROFILE:
- Young
- Affluent
- Engaged
- Stylish
- Connected

Discretionary Spending Index
Based on the SP500 Discretionary Consumer Company’s Index

Average Sale Through Over Time

SEASONALITY

Average Sale Through Rate per Month

LEAST SUCCESSFUL MONTHS:
- July, August, September: Late November, December
- Back to School Season: Holiday Season

REFERENCES

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KEY MISSING VARIABLES:
- Beyond Price:
  - % of data
  - % of data

LIMITATIONS

PRESENTERS: John Allred ’17, Lisa Fumaluro ’16, Amanda Lee ’16
FACULTY MENTOR: Dr. William Tastle
Ithaca College

OURLY RECOMMENDATIONS

COMPETING ON PRICE:
- Focus on lower-priced items because they make up most of the inventory
- Almost 80% of items sold fall into clusters with an average sale look price of ~$100
- Always have lower-priced items on sale
- Sale through rate is low whenever only higher-priced items are on sale
- Test larger percentage discounts on lower-priced items
- Lower-priced items with small percentage discounts do not sell as well as those with large percentage discounts

BEYOND PRICE:
- Engage more with brands that are successful and disengage with brands that are consistently unsuccessful
- Focus on increasing incentives during back to school and holiday seasons
- Increase customer interaction on website with customer reviews and forums to discuss fashion trends
- Further explore customer personalization through capturing customer data to develop deeper customer relationships

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