

**GABBY LEBOVICH + HEZI LEBOVICH**

**\$1 BILLION  
2 BROTHERS  
3 EXITS  
200+ LESSONS**

# **CATCH OF THE DECADE**

**HOW TO LAUNCH, BUILD  
AND SELL A DIGITAL BUSINESS**



**MENULOG**



**LUXURY ESCAPES**

**WILEY**

First published in 2021 by John Wiley & Sons Australia, Ltd  
42 McDougall St, Milton Qld 4064  
Office also in Melbourne

Typeset in ITC Giovanni Std 11pt/15pt

© John Wiley & Sons Australia, Ltd 2021

The moral rights of the authors have been asserted

ISBN: 978-0-730-38849-4



A catalogue record for this  
book is available from the  
National Library of Australia

All rights reserved. Except as permitted under the *Australian Copyright Act 1968* (for example, a fair dealing for the purposes of study, research, criticism or review), no part of this book may be reproduced, stored in a retrieval system, communicated or transmitted in any form or by any means without prior written permission. All inquiries should be made to the publisher at the address above.

Cover design by Wiley

Cover and 'Catches' background image © greoli/Shutterstock

Back Cover Photo: © Erin Jonasson / Fairfax Media

Scooter image on p20 by Niran Kasri from Pixabay

Printed in Singapore by Markono Print Media Pte Ltd

10 9 8 7 6 5 4 3 2 1

Menulog and EatNow are registered trademarks of Menulog Pty Ltd and this book has not been endorsed, sponsored or approved by Menulog Pty Ltd; Scoopon, Luxury Escapes, Bon Voyage and Cudo are registered trademarks, in Australia only, of Lux Group Ltd (owner of Luxury Escapes / Bon Voyage) and Lux Everyday Pty Ltd (owner of Scoopon / Cudo) and this book has not been endorsed, sponsored or approved by Lux Group Ltd or Lux Everyday Pty Ltd; Catch of the Day, Catch, Grocery Run, Mungo are registered trademarks of Wesfarmers Limited and this book has not been endorsed, sponsored or approved by Wesfarmers Limited; Seven Network logo is a registered trademark of Seven West Media and this book has not been endorsed, sponsored or approved by Seven West Media; Nine Network logo is a registered trademark of Nine Entertainment Co. and this book has not been endorsed, sponsored or approved by Nine Entertainment Co; Network 10 logo is a registered trademark of Network Ten Pty Limited and this book has not been endorsed, sponsored or approved by Network Ten Pty Limited; Toshiba and Toshiba Satellite is a registered trademark of Toshiba (Australia) Pty Limited and this book has not been endorsed, sponsored or approved by Toshiba (Australia) Pty Limited; Hungry Jack's name and logo is a registered trademark of Hungry Jack's Australia and this book has not been endorsed, sponsored or approved by Hungry Jack's Australia; Pumpkin Patch is a registered trademark of Alceon Group and this book has not been endorsed, sponsored or approved by Alceon Group; Vinomofu is a registered trademark of Vinomofu Pty Ltd and this book has not been endorsed, sponsored or approved by Vinomofu Pty Ltd; Australia Post logo is a registered trademark of Australia Postal Corporation and this book has not been endorsed, sponsored or approved by Australia Postal Corporation.

**Disclaimer**

The material in this publication is of the nature of general comment only, and does not represent professional advice. It is not intended to provide specific guidance for particular circumstances and it should not be relied on as the basis for any decision to take action or not take action on any matter which it covers. Readers should obtain professional advice where appropriate, before making any such decision. To the maximum extent permitted by law, the authors and publisher disclaim all responsibility and liability to any person, arising directly or indirectly from any person taking or not taking action based on the information in this publication.

# CONTENTS

<i>Introduction</i>	<i>vii</i>
<b>Part I: Getting started</b>	<b>1</b>
1 How it all began	3
2 Working together	27
3 Gaining momentum	45
4 Recession? Shmeceession!	69
5 Idea by midnight, execute by midday	83
6 Catch us if you can	103
<b>Part II: Ramping up</b>	<b>117</b>
7 Time to scale	119
8 Running fast	129
9 The robots are coming!	153
10 The Catch culture	163
11 Meanwhile, back at Menulog ...	175
<b>Part III: Full speed ahead</b>	<b>187</b>
12 It takes two	189
13 A new era	201
14 Time for some major changes	211

## CHAPTER 3

# Gaining momentum

By early 2007 we still had only seven staff, but our revenue and the volume of transactions were growing rapidly. From a rocky start of selling just \$1000 worth of goods a day, we were now selling \$10 000 a day worth across all three sites: eBay, DailyDeals.com.au and Catchoftheday. These figures were never going to put the big retailers out of business, but we were energetic, motivated and excited to see our figures grow. We had no inkling we were creating a billion-dollar business! We were just like a bunch of kids having fun playing with computers.

From the get-go, it was very clear that there were three parties needed to make this business work: Catch-supplier-customer. Without customers, we had no business. Without suppliers, we had no deals to attract customers.

From our early days of buying, we realised that all suppliers—no matter how good they are—make mistakes when buying. There is a joke in the retail world: ‘The buyer is always wrong’. They either buy too much, or too little. Being the buyers at Catchoftheday, we understood the meaning behind this joke and lived it every single day—and any buyer reading this book right now is surely nodding their head in agreement.

**WE REALISED THAT  
THERE WAS A  
MASSIVE  
UNTAPPED  
OPPORTUNITY**

**IN BEING ABLE TO  
HELP SUPPLIERS AND  
BRANDS GET RID OF  
THEIR 'MISTAKES', AND  
THIS WAS THE PIECE  
OF THE PUZZLE THAT  
CATCHOFTHEDAY SOLVED.**

## We are better buyers!

Suppliers get caught out with excess stock for lots of reasons. It could be that a big retailer cancels an order; the wrong colours or sizes are ordered; the wrong items are sent out; the boxes get damaged; or the buyer overestimates consumer demand, such as having too many air conditioners in the middle of winter. What we were looking for were deals where the suppliers were willing to let go of stock at stupidly low prices in order to free up warehouse space or to receive much-needed cash to pay for the next container of goods. We realised that there was a massive untapped opportunity in being able to help suppliers and brands get rid of their ‘mistakes’, and this was the piece of the puzzle that Catchoftheday solved.

One of the questions we get asked all the time is, ‘Why has Catchoftheday succeeded in e-commerce while others have not?’ and while there are many ways to answer this question, our answer has always been, quite simply, ‘We are better buyers!’



**Gabby**

---

In our first three years of business, I was the primary buyer for most of our products. As I look back, these were *the* best years of my life.

***The challenge of building something from nothing and seeing it grow and succeed is a feeling that can't be replicated.***

Our Catch buyers working in the business today don't know how lucky they are because, today, Catch is a brand that everyone wants to be associated with and work with. That was not always the case. ‘No!’ was the supplier's default answer, and we had to work super hard to get them to hear us out. Now, all our buyers receive the red-carpet treatment. Suppliers love our buyers because they know they can help them shift stock others can't.

I really enjoyed those early days of buying and door kicking, and I continued doing so until 2012. Later on, I realised that there are better buyers than me and it was time to pass the baton to the next generation: Anees, Guy, Kalman and Adam, I'm talking about you!

---

Being a great buyer is a skill that can't be taught at university, and it can't be inherited either. You either have it or you don't.

***We called our buyers 'product hunters', because they hunted down great deals and brought them to the door of our customers.***

While you've either got the talent or you ain't, here are a few strategies anyone can develop that will make you a better buyer.

- *Be curious*: read sales catalogues, or just walk through shopping centres and have a look around. Curiosity goes hand in hand with learning; the more you immerse yourself in your niche, the more educated you will become. Knowing your category allows you to spot a deal the moment it comes your way. Great entrepreneurial companies and individuals always ask 'why?', and that curiosity powers their creativity.
- *Be an honest person, and do the right thing*: this is the quickest way to build trust. If you're a jerk, the word will quickly get around. We always believed that honesty (and integrity) are the best policies.
- *Build a relationship with your seller*: everyone prefers to deal with a friend rather than just a faceless executive hiding behind an email.
- *Pay your suppliers on time*: even better, pay them ahead of time. They'll never forget you.

Guy Polak, Catch's head of buying, knows exactly how to build relationships.

## Guy

---

We always treat the suppliers that we source our goods from as friends. We figured out quickly that in order for a business transaction to take place, both parties have to benefit; it has to be a win-win relationship. It just has to. A relationship can only continue and thrive if both parties are happy over the long term. Some people will try and screw their suppliers over. We never do that. For us, it is never about making a great profit on deal number one; it is always about making the supplier happy so they choose to come back to us for deals two, three and 100.

---

Never forget that people do business with people they like. So how do you become likeable? Again, this is a tough question because you either have that quality or you don't, but generally speaking, good buyers need to be outgoing, talkative types who can win a room over and build rapport. If you aren't good at that, get good at it or find another person to do the buying.

Second, you don't create business by telling people, 'I want to do business with you'. You create business by building relationships, and you do that by connecting and finding common ground between you and the other person. For example, once you figure out what someone is interested in, throw some random but related knowledge into the conversation. You don't need to be an expert on every topic; just think of something to take the conversation from awkward to exciting. Once you have the other person feeling comfortable, you can start to build that bridge.



**Gabby**

---

I often use sport, and in particular soccer, as a bridge to build relationships. I live and breathe the game and can always steer the conversation to a team, location, match or player that is relevant to my customer. It's such a global game so I always



## CATCH OF THE DECADE

find something that is personal to them. For example, if I meet someone from Hungary, I will throw in the name of Ferenc Puskás, the best Hungarian player ever; and if someone is from Brazil, I will steer the conversation towards my visit during the World Cup. This always makes people smile and puts them at ease. You can steer the conversation to any topic that's relevant to the situation—it might be music, what you're watching on Netflix, or if you're desperate, or from Melbourne, the weather.

---

People do business with people they like, and being likeable is as simple as showing an interest in what the other person feels passionate about. In business the financial benefit is obvious, but at the end of the day we all want to surround ourselves with nice people, both in our social life and especially in our business life.



**Hezi**

---

When building a new relationship, I actually like to put a lot of effort into researching the other person's business and finding out what their responsibilities are within that business. Then I ask lots of questions to fill the gaps in order to understand their personal and professional challenges, opportunities and goals. This puts me in a better position to find a way to help us exchange value in a fair deal for all.

---

Adam Chrapot, Catch's head of sourcing, has a PhD in relationship building.

## Adam

---

I have always firmly believed in the theory that you catch more flies with honey than vinegar. Wherever possible I always build a meaningful and personal relationship with our suppliers as, quite simply, you get more business this way. When suppliers

are your friends, they feel comfortable dealing with you, they know they can trust you and they are more likely to satisfy your particular requirements. Most importantly, you become top of mind and will be the first customer they call when they have a great deal. This proved to be incredibly valuable and successful when building the Catch supply chain.

---

Here are five more tips that will help you build better relationships.

1. *Meet in person.* You can't fall in love unless you go on a date, which is why relationships are best built face to face. It is far too easy to misconstrue feelings over email or even a phone call, so make the effort to meet over a coffee, even for a five-minute chat or an afternoon walk at the beach. You'll quickly see the relationship move to the next level. Our suppliers knew this and worked hard to get in front of us. We often got invited by a supplier to events like a music concert, the Grand Prix or the Australian Open tennis. Why? Because our suppliers knew it was by far the best (and cheapest) way to build a meaningful relationship with us. Once you build a personal relationship, everyone feels a lot more comfortable doing business because now you're friends rather than just distant business associates.
2. *Don't leave voicemails.* No-one listens to them anymore. If you don't get the person, hang up and ring back.
3. *Be funny.* Like it or not, 'funny is money' and people will always prefer doing business with someone who makes them laugh. Why? Because life is meant to be fun and those who can combine business and fun will get the sale over those who can't take, or make, a joke. Don't be too serious! This approach has certainly worked for us.
4. *Don't get angry over email.* We have Mediterranean tempers so when we get upset it is very tempting to respond in an aggressive or angry way. Our tip? Count to 100 and then

respond. You will almost always be thankful you didn't act in haste.

5. *Never, ever close a door.* Doors are very hard to open so it's your job to keep them open. Some suppliers might piss you off today, but they can be your best friend tomorrow, or even a year or two down the track. Besides, if they leave their current job, you want to make sure they say nice things about you at their next job.

So, we knew the art of buying, and we knew suppliers had a massive problem that we could fix. Now we just needed to convince them we were the ones to fix it for them. Here's the spiel we used when we'd turn up in our van trying to convince a supplier to sell to us.

*Hi Joe,*

*I'm from Catchoftheday. We are an online shopping site. Our specialty is purchasing end-of-line stock and clearance offers. We buy the goods on the spot. I will make an immediate decision. I will pay you for the goods today and I will take the goods with me now. Is there anything in the warehouse you need to clear?*

Here's what Joe really heard:

***I will pay you today and take the goods now.***

How could Joe say no to an offer like that?

## **Innovate or die**

At some point, all suppliers and retailers get caught out with too much stock. We did too. So, we came up with a solution to get rid of it. We called it the Catchathon, a 'monthly megasale' of all the stuff we got stuck with at the warehouse. The sale took place on the last Thursday of every month.

While most of our deals were simply unbelievable, we couldn't expect all our customers to show up every day to buy from us, so the reality was, they missed out on some of these great deals. The Catchathon gave them an opportunity to 'catch up' on a product they may have missed.

The first Catchathon had 33 products, but as the popularity grew, so did the numbers. Within a couple of years, our Catchathons had as many as 1000 products, and we stretched the event over two days, generating gross profit of \$500 000 over that two-day period (yes, that's gross profit!).

From that day on, we ran it every single month, and, almost without exception, it has been the bestselling day of the month. We discovered two very important lessons from this innovation: that selling 33 of our best products on a single day generates more profits than selling one product; and it's okay to break the rules (of selling one deal a day), especially if you're the one making the rules.



### **Say 'thank you'**

We've had thousands of suppliers help us on our journey. We can't mention them all, but we are thankful to all of them. Here is a story about one of them that deserves special credit.

JTC was a small import/export business run by two brilliant buyers called Carl and Tom. We met them when we drove by their warehouse, 400 metres away from our Moorabbin office. Like Catch, they sourced end-of-line and clearance deals in very large volumes, and then sold their wares to retailers such as the \$2 Shop.

For bargain hunters like us, walking into JTC was like being a kid in Disneyland. We'd visit them three to four times a week, checking out the latest stock arrivals and seeing if we could find any tasty catches for our customers.

Carl was used to selling six of this or 12 of that at any one time to his mum-and-dad retailers so when he saw us coming, he could see a massive opportunity to accelerate his business. He helped us figure out what we could and could not sell, and even volunteered to put together boxes of themed products, like Dora the Explorer or Thomas the Tank Engine, that we could sell for \$10 so we didn't have to 'pick and pack' the boxes ourselves. This helped us create A-grade deals, gave the customer a 'surprise and delight' moment and helped us overcome the immense pressure of having to conjure up a daily deal from nowhere.

After one year in business, we closed off 2007 with sales of \$7.69 million, with more than \$1 million of that sourced from JTC. It's numbers like these that propelled us to 45th place on the BRW Fast 100 List—and it made our day. Being featured in *BRW (Business Review Weekly)* was super cool and a 'first' we will remember forever. (Other notable starters on the list that year were local start-ups Atlassian, with revenues of \$22 million, and Aconex, with revenues of \$28 million. They've both done all right since then.)

Without the help provided by people such as Tom and Carl, none of this would have been possible, so remember to say 'thanks' to those who helped you along the way.

TODAY'S CATCH
ABOUT US
BLOG
CAUGHT
WINE
ACCOUNT
HELP



**catch of the day**  
.com.au

TIME LEFT  
03:00:12

see product every 24 hours

Click HERE to register!

email or username \*\*\*\*\*

I forgot my password

 [Follow me](#)  [Download Our iPhone App.](#)

**THE CATCHATHON 3RD BIRTHDAY BASH SPECIAL**  
HUNDREDS OF PAST CATCHES NOW LIVE!

WELCOME TO THE

CATCHATHON

3RD BIRTHDAY BASH SPECIAL

BROWSE THE RANGE BELOW

↓

HUNDREDS OF PAST CATCHES

\$15 SHIPPING CAP!

TODAY'S CATCH
PRODUCT SPECS
 SHARE THIS CATCH

**Catch Countdown**

TIME LEFT  
LAST CATCH  
3h 0m  
masters7692

BRW. 100

TOP 10 WEBSITE PICKUP 2009

BRW. 3 STARTERS

Now accepting 

---

**Wine.Catchoftheday**

6x 2008 Grant Burge Kraft Sauvignon Blanc

\$59.95

read more

---

**Newsletter Signup**

Subscribe to our Daily Catch Notification Service!

email address

---

**The Ones that got away!**

Thursday 29,10,2009  
**Licensed Wooden Beach Cricket Set**  
[read more](#)

Thursday 29,10,2009  
**Super Soft Latex Pillow**  
[read more](#)

Wednesday 28,10,2009  
**Mini Remote Control Helicopter**  
[read more](#)







**WELCOME TO THE CATCHATHON!**

HUNDREDS OF PAST CATCHES NOW LIVE!

\$15 Shipping Cap - Pay a maximum of \$15 shipping, no matter how large your order! Order big and save!

11PM TONIGHT: \$2.95 Movie tickets are coming back. 2200 available, don't miss out.

It's everyone's favourite shopping marathon - the Catchathon! We've over two hundred past catch goodies lined up, all at unbelievable prices - primed and ready to fly off the shelf. Is there anything you missed from CatchOfTheDay? Anything sold out before you could get in and bite? The Catchathon is your second chance. Don't forget - \$15 Shipping applies. Pay a maximum of \$15 shipping, no matter how large your order! Order big and save!

 <p style="font-size: 0.8em;">\$9.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$9.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em; color: red;">Sold Out</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$7.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>
 <p style="font-size: 0.8em;">\$7.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$9.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$9.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$9.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>
 <p style="font-size: 0.8em;">\$29.95</p>	 <p style="font-size: 0.8em;">\$19.70</p>	 <p style="font-size: 0.8em; color: red;">\$769.00</p>	 <p style="font-size: 0.8em; color: red;">\$79.95</p>
 <p style="font-size: 0.8em; color: red;">\$99.00</p> <p style="background-color: red; color: white; padding: 2px; font-size: 0.7em;">Sold Out</p>	 <p style="font-size: 0.8em;">\$9.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em; color: red;">\$79.60</p> <p style="background-color: red; color: white; padding: 2px; font-size: 0.7em;">Sold Out</p>	 <p style="font-size: 0.8em;">\$24.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>
 <p style="font-size: 0.8em; color: red;">\$37.95</p> <p style="background-color: red; color: white; padding: 2px; font-size: 0.7em;">Sold Out</p>	 <p style="font-size: 0.8em;">\$48.00</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$97.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>	 <p style="font-size: 0.8em;">\$29.95</p> <p style="background-color: green; color: white; padding: 2px; font-size: 0.7em;">BITE ME!</p>

WELCOME TO THE

CATCHATHON

HUNDREDS OF PAST CATCHES

\$15 SHIPPING CAP



catchathon notebook sale

**A Catchathon event. Our best selling day of the month.**

## Necessity is the mother of invention

Finding an A-grade deal every day looked simple, but every daily deal had to meet our high standards, which made the process complicated. The deal had to:

- 'surprise and delight' our customers
- appeal to a wide range of people
- sell in large numbers
- be super profitable so we could pay the bills of this fast-growing business.

Sure, it was a challenge to achieve all this in one deal, but it forced us to get more creative in finding new and different ways to sell in those kinds of volumes.

For example, some of the merchandising innovations we came up with to shift old stock included classy creations such as The Box of Crap (affectionately known as the Box of Pooki). This was a bag or box containing a bunch of random items from our warehouse that we needed to clear. The message to customers? You get what you get and you don't get upset.

Here are some other event ideas we came up with:

- the \$10 Day: where all items are \$10 or less
- the \$28 Day: all products sell for \$28 including shipping (not one of our best ones, it only lasted for three months)
- the Mega Baby Box: 10 items for your baby for \$30 (we sold thousands!)
- the Jewellery Megabox: 25 pieces of jewellery, normally valued at \$400; we sold them for \$25 (people often ask us how we sold packages of expensive jewellery for so little. See lesson for our secret to this one.)

- the School Essential Megabox: 15 items for kids going back to school (this did well during COVID-19!)
- the Box of Real Crap: it was as the name suggests (and it was our top-selling box; our customers loved this one the best of all!).



### **Turning trash into treasure**

Four hundred dollars' worth of jewellery for \$25. Ten quality baby products for \$30. Free products! Just pay for shipping!

How did we make all these amazing deals happen? How did we turn what others would consider trash, into treasure? To fully understand how we did it, you need to know we considered ourselves to be 'solution providers' to our suppliers. They had a problem. We had the solution and we found innovative ways that enabled everyone to win.

For example, here's the background on how we 'created' the \$400 jewellery box for \$25.

You know all those teenage fashion stores at your local mall? They have rows and rows of trendy necklaces, rings, bangles, hair accessories and the like. Fashion and trends change quickly, and so does jewellery, so twice a year the retailer had to get rid of vast amounts of unsold items. Generally, someone in the retail store would go through the stands and tip hundreds of random jewellery items into dozens of large boxes, in no order or tidy fashion, seal the boxes up and send them to us. We'd open the boxes, tip the contents onto the floor of the warehouse, sift through *all* the items and sort them into homogenous groups so we could see what we had. It was a mess! Or as we call it in Hebrew, *balagan!*



It's important to note that all these items were in tip top condition, had barcodes and labels still attached, and often the price tag as well. The brands were first class. We can't divulge the prices of these items, of course, but most retailed for an average of \$20.

Our next step was to 'curate' each and every box of jewellery to make sure that every lady who received it would, upon opening the box, scream 'Hallelujah!'. That was our goal, and we achieved it. The feedback was phenomenal: 'Can't believe how you do it!', 'Amazing value!', 'Thank you!' and so on. This curation and picking and packing process required a lot of hard work, but let's just say that we bought the goods at such a low price that it was worth the effort. The triple win. The suppliers were happy, the customers were happy, and Catchoftheday was happy too.

These marketing campaigns worked like crazy. Sales kept growing and records were broken every single day. It was a thrilling time and without a doubt one of the most innovative years in our history.

Our single biggest challenge in building Catch was getting suppliers to sell to us. As far as most retailers were concerned back then, the party was at Bricks and Mortar. As such, we often encountered measured resistance from local suppliers and brands. They just would not sell to us. They were traditional, stuck in their ways and unable to see what the future held.

So, when we came along and upset the applecart, they didn't like it very much and scrambled to find reasons not to do business with us. The most common excuse they gave was,

***'Sorry, we don't sell to companies without a physical storefront'.***

Can you believe that? It sounds laughable now, but that's what they said.

Catch was already 18 months old by this stage, shifting millions of dollars' worth of stock every month, and yet nine out of 10 reputable suppliers and brands still refused to sell goods to us because we didn't have a front door.

As we write this book, COVID-19 is in full swing and everyone is in lockdown. All the shopping centres are closed, but, interestingly, Catch and all the other e-commerce players are still well and truly open for business, busier than ever and able to support their customers and suppliers during this difficult patch. How things change!

***Looking back, it's hard to imagine that no-one wanted to sell goods to us because we didn't have a physical shop.***

## **Our big break**

One of the toughest segments for us to crack was the PC and computer accessories market. Prior to March 2008, we had not been able to source a single deal from this segment. It was a closed shop, with the retailers and suppliers all cosy in bed together and very happy with their lot, thank you very much.

When we did crack it, however, all of that changed in a major way. Looking back, this was the turning point in our trajectory that catapulted us into the league of uber-retailers. Here's how we cracked it.



## Gabby

---

The computer and tech segments were controlled by a small number of massive distributors. The largest one in Australia was a company called Ingram Micro. By pure chance I heard that they were hosting an invite-only evening conference for their clients. I didn't get an invitation; nor did anyone I knew. It was a well-guarded industry. But that didn't stop me. I ironed my suit (not something I wear often, except at weddings) and fronted up to the Melbourne Exhibition Centre. I honestly can't remember how I did it, but I somehow kicked my way in with an exuberant display of charm, ignorance and chutzpah!

I came armed with 100 A4 flyers that detailed the message of Catchoftheday—and I'm glad I brought them. There were around eighty suppliers, all lined up in rows, each displaying their wares. Each stand was manned by the local distributor ready to do business. I went to work. I had only one evening, 80 potential new suppliers and one chance to make a first impression. I moved from stand to stand, shaking hands, handing out flyers and telling everyone how great Catchoftheday could be for their business.

That night I sowed the seeds for ongoing relationships that shaped the years to come and would prove fruitful beyond belief. Some of the blue-chip companies I connected with that night include Toshiba, Asus, Canon, HP, Lexmark, Compaq, Polaroid, SanDisk and Verbatim, just to name a few.

---

The following week, we were bombarded with offers from all of those companies wanting us to feature their products: laptops, printers, hard drives, cameras, storage devices, memory cards and more laptops. Suddenly, we had the premium brands all the retailers had. This paved the way for other big brands to do business with us as they soon realised they too could sell their premium brands to us—and make a lot of money doing so.

Anees, our 21-year-old junior copywriter, took the calls. Until his arrival a year earlier, we had done the copywriting, and, to be honest,





**We are Daily Deals.** A company featuring a number of highly successful sales channels with the ability to move astonishing amounts of stock. Our various initiatives include one of Australia's largest TV shopping campaigns with regular infomercials on all morning shows, be it Kerry Anne or Channel 7.






Furthermore we also run one of the Australia's top online department stores [www.dailydeals.com.au](http://www.dailydeals.com.au) and the latest shopping addiction to sweep the nation, everyone's favourite, [www.catchoftheday.com.au](http://www.catchoftheday.com.au). While **Daily Deals** offers us the perfect platform to move a wide variety of stock around the clock, with its fresh and unique **'New Day, New Deal'** concept the **Catch of the Day** is one of the hottest websites to hit our country.




**Fastest 100 Growing Australian Companies**

In our short history we have earned wide acclaim and numerous awards, the most recent of which is placement in the **BRW Fastest Growing 100**. For those of you not in the loop, Business Review Weekly, one of Australia's premier financial periodicals publishes an annual list of Australia's fastest growing companies.

We operate from a large 4000m<sup>2</sup> complex featuring our massive retail outlet (see photos) and a state of the art dispatch centre.

With access to multiple channels we are well positioned to deal with closeout deals and surplus orders.




**Daily Deals**  
**2215 Princes Hwy**  
**Mulgrave, Victoria 3170**  
**Australia**

**Gabby Leibovich**  
 Mobile: [REDACTED]  
 Email: [gabby@dailydeals.com.au](mailto:gabby@dailydeals.com.au)  
 Ph: +61 3 9558 5640, Fax: +61 3 9558 5736

**Gabby: Here's the flyer I took to the life-changing Ingram Micro event. This event was the turning point for Catch, and this flyer helped us break through.**

## CATCH OF THE DECADE

we were not that great at it, but someone had to do it. It wasn't long before he became an integral part of our growing team of 15 staff and our right-hand man. Prior to joining us, Anees had never sold a thing in his life, but he was a fast learner and could turn his hand to anything. He taught himself graphic design, handled the sales calendar of deals, and started to accompany us to meetings with suppliers. At this stage he was lacking the confidence to be the main man, but all that would change within a couple of years. In the following months, with his help, we experienced the fastest and strongest growth to date. Here are just some of the fabulous sales results we achieved back in 2008:

- 4000 Asus computers in less than 38 minutes!
- 800+ units of external hard drives in a single day
- 10 000 power boards (we made a profit of \$100 000 that day!)
- 320 000 Ferrero Rocher chocolate balls in seven hours
- 11 000 coin counters in one day.



**Hezi**

---

I've always tried to challenge a new recruit when they join the company.

***My main objective was for them to quickly adopt the philosophy of 'just because it's always been done like that, doesn't mean it's the best way to do it'.***

When Anees joined, he very quickly became quite good at buying and selling, both fairly new skills for him. He became quite a master over the years. So, after a few months when he was getting quite confident and thought he had now learned it all, I noticed that while he was a super negotiator at getting the lowest price, he still lacked the skill to price things correctly. One example I remember was an electronic device that regularly

sold in other stores for \$100 and the wholesale price was \$80. By some miracle, we managed to buy 1000 units from a supplier at wholesale for \$20. It was an unbelievable price. Anees put them on the website for \$29, in line with our normal margins but without taking advantage of our unusually low wholesale price. Why? Simply because that's how a lot of our buyers were doing it. The 1000 units sold out in two hours and it was a great day.

Lighting struck twice and by another miracle, a few months later the supplier had another 1000 units and we took the lot. Anees was about to put them back on the site for \$29 and I challenged him to price them at \$69.99. He thought I was mad, saying 'that's almost triple the price we sold them for last time!' He was really starting to sweat. I told him, 'You've based your original price not on market demand but rather on a habit. You've based it on a formula that you've seen people in our business use over and over, but you must treat every opportunity on its own unique factors.'

He gave it a shot and listed them at \$69.99. We still sold all 1000 units for quadruple the profit in the same amount of time. Anees was a fast learner. In fact, he learned so fast and was so good that it was he who came along with us to meet an investor when it was time to set a valuation for our entire business.

---

## **Sale of the century**

When we arrived in Australia in late 1986 (Gabby was at year 11, Hezi was at grade 4), our favourite TV show was *Sale of the Century*. Every night at 7 our whole family would sit down and watch Tony Barber do his thing. Not only did we get to play a trivia game, but we also improved our English. Our most memorable 'sale of the century' was the Toshiba laptop.

In July 2008, Toshiba offered to sell us 8000 laptops, which we were able to sell for \$599 per unit. Generally, we liked committing to and paying for goods at the time of purchase because it always allowed us to negotiate hard and get a great deal.

## CATCH OF THE DECADE

On this occasion, however, we simply didn't have \$4 000 000 in cash lying around to pay for the stock. But one of the great advantages of running a 24-hour-deal business is that the sales cycle is also 24 hours, or less. We seriously wanted to do this deal so we advised Toshiba that we would run the deal on Wednesday of that week, and would advise them of our sales quantity the following day. Toshiba had nothing to lose.

The deal went nuts. It started at midday and by 4 pm we had sold 4000 laptops.

### ***That's 1000 laptops per hour!***

The whole office was buzzing with excitement. But the deal was short lived. Rumour has it that not long after the deal started, Toshiba received an urgent call from a very large PC retailer (we can't reveal the name) and as a result of that call, we were notified we had to stop the sale at 4 pm and leave the remaining 4000 laptops unsold. That's hardly normal behaviour—but it is what it is.

The news of the deal spread like wildfire. Within hours, *every* supplier and retailer of PCs in the country had heard about this crazy Melbourne website that was offering unbelievable products (and eating into their margins). This was the day our reputation was made. We had made the big league. We can't think of a single local retailer that could purchase 4000 laptops of one model, move them in a day and pay for the goods before dispatch. Not today, and certainly not back in 2008.

## **Catching fire**

The word about Catchoftheday was spreading fast. That one deal sealed our reputation, and from there the new deals flowed like water. One day we sold 2000 Asus laptops in a single hour; the



TIME LEFT  
20:36:43

one product every 24 hours

Click [HERE](#) to register!

email or username:  \*\*\*\*\*

I forgot my password

**Catch Countdown**

TIME LEFT 20h 41m  
LAST CATCH duzz1000



**Small Fish**

Explorer 7 Piece Camp Set - Blue

**\$29.95**

[read more](#)

Explorer 7 Piece Camp Set - Blue

**\$29.95**

[read more](#)

Cygnett Groove Tube

**\$49.95**

[read more](#)

Cygnett Groove Tube

**\$49.95**

[read more](#)

8 Inch LCD Digital Picture Frame

**\$89.80**

[read more](#)

8 Inch LCD Digital Picture Frame

**\$89.80**

[read more](#)

SEACRET SALT & CREAM SCRUB

**\$24.95**

[read more](#)

SEACRET SALT & CREAM SCRUB

**\$24.95**

[read more](#)

**Newsletter Signup**

Subscribe to our Daily Catch Notification Service!

email address:

**The Ones that got away!**

Tuesday 30,06,2009  
**Compaq Presario Notebook**

[read more](#)

Monday 29,06,2009  
**Dr Phil Australian Live Shows**

[read more](#)

Sunday 28,06,2009

TODAY'S CATCH   ABOUT US   BLOG   CAUGHT   FAQ'S   ACCOUNT   HELP


---

**CAUGHT**

Date: Monday 18 August, 2008

## Toshiba Satellite Pro L300 Vista Notebook

**\$599.00**  
+ shipping



Register To Catch Offers Like This Daily!

SOLD OUT

BOOKMARK

**Product Description**

SOLD OUT! NEXT CRAZY DEAL AT MIDDAY!

Can you believe that price? Just \$449 (after cashback) for a fully fledged Toshiba notebook PC. Register now for a free member account and gain exclusive access to incredible savings like this every day! Not just IT, anything is possible be it homeware, perfumes or electronics - every single day brings an unbelievable catch, DON'T MISS OUT - NEXT ONE AT 12 MIDDAY AEST!

**Toshiba Satellite Pro L300 Vista Notebook**

**Vista Preloaded - Perfect for Study, Work and Play!**

**15.4" Widescreen, 120GB, WIFI, 2.0Ghz Intel Inside**

**See Product Specs for Cash Back Claim Details**

*24 Hour Warehouse Clearance Special! We are in the process of relocating to a larger facility and simply must clear out of these laptops, today's price will never be repeated, and the quantity available is highly limited - Enjoy!*

**MASSIVE CATCH EXCLUSIVE!** Save hundreds of dollars on a superb notebook from TOSHIBA! ONLY **\$449** after \$150 cash back from Toshiba. With all the bells and whistles you need for work, study and play. Its a **superb** price, on a quality notebook from Toshiba, with all the top notch service and warranty you expect from Toshiba Australia. **Save hundreds of dollars**, and enjoy the convenience of portable computing! Expect a saleout!

The Satellite Pro L300 is designed to deliver maximum efficiency and mobility to serve your needs. A top choice when it comes to style, performance and value: a perfect all-rounder. With its 15.4" widescreen display for vivid images and Intel® Processors, it is designed to deliver maximum efficiency and mobility. Design innovations include a smooth latches case, sleek rounded corners and a titanium-silver finish.

- Intel® Celeron Processor M550 2.0Ghz, 533MHz FSB, 1MB L2 cache
- Mobile Intel® GL960 Express Chipset
- Genuine Windows Vista® Home Basic
- 120GB 2.5" SATA HDD
- 1GB DDR2 667 RAM - expandable to 2GB
- 15.4" WXG A Active Matrix 200NIT (1280x800 resolution) Screen
- Titanium Silver Finish, Latchless Case
- Intel® Graphics Media Accelerator X3100
- Integrated Realtek 802.11 b/g Wireless LAN
- Integrated Intel® 10/100Mbps TX Ethernet (Wired LAN)
- V.92 data + fax modem
- DVD Super Multi Dual / Double Layer Drive
- A4 Windows Vista® keyboard and Wide TouchPad™ pointing device
- Massive Inputs/Output Port Selection:
  - Express card slot
  - RGB external VGA display
  - 3 x USB 2.0
  - V.92 data + fax modem
  - 10/100Mbps Ethernet LAN
  - Headphone & microphone port
  - Bridge media Reader/ Writer slot (SD, MMC, Memory Stick/Memory Stick Pro, XD)
  - Integrated microphone
  - Integrated web camera
- Intel® High Definition Audio
- ACPI, PnP, VESA, DPMS, DDC, SM BIOS, PCI BIOS Support, Boot Device, TSETUP
- Integrated Web Camera

**This Toshiba laptop deal put us on the map and opened the door for deals to flow freely. It was a game changer for us.**



## CATCH OF THE DECADE

next day we shifted 10 000 pillow sets in five hours; the following day we sold 8000 pearl necklaces. The deals just kept coming and so did lots of new customers, each discovering us for the first time. We continued to create crazy promotions that kept our customers hungry and excited for more. We found out first hand that nothing could beat a word-of-mouth recommendation from a friend or a workmate. Everyone loved our bargains, and everyone loved showing off their latest toy, shoe or electronic gadget. The addiction was growing.

Our trusty office whiteboard, which contained the matrix that mapped and tracked all our deals, was filling fast with silly events such as the Scentathon (perfumes galore), Mamathon (deals for mum), Papathon (obvious) and Freeday (where everything is free and the customer just pays for shipping). Would you believe that on our first 'free day' we made a clear profit of \$200 000 in a single day selling items for free!

**WE MADE A  
CLEAR PROFIT  
OF \$200 000 IN  
A SINGLE DAY  
SELLING ITEMS  
FOR FREE!**

These and many others deals like this kept the excitement level on a high, day after day. The need to innovate and stay ahead of the curve forced us to be working at the edge all the time. It was exhilarating for everyone. Even today, Catch still features these events, and many of the concepts have been copied and used by retailers all over the world. We were creating a whole new way to retail, and we didn't even know it.

By this stage, the new kid on the block was running faster than anyone could have imagined. So much so, we shut down our eBay operation, switched off the As Seen on TV channel and closed the DailyDeals.com.au site to focus our efforts exclusively on Catchoftheday. We hired some talented team members to help us keep up, including Carlo, our photographer and designer;

Pooven, Vijay's brother, who worked in operations; and Kalman Polak, who joined us as our store manager. You'll read more about them later.

In August 2008 we relocated to a building in Springvale, 29 kilometres south-east of Melbourne. We were expanding big time in every way. The building was composed of a much larger warehouse of 2000 m<sup>2</sup>, a small office of 200 m<sup>2</sup> and a retail store of 2000 m<sup>2</sup>. Retail store? Yes, we did open our doors to the public. We were hoping that having a physical street presence would satisfy the many suppliers that were still unwilling to supply online-only retailers like us. We were also looking to win a few extra customers and make them aware of our online offering. We found this to be a great customer acquisition channel for our maturing website.

The retail store was short lived. On 23 December 2008, just six months after opening, in the busiest week of the year, on the busiest day of that week, our store and warehouse was flooded by a massive downpour of torrential rain. The entire office was knee deep in water. Every employee worked back and spent the whole night in the warehouse moving all the stock that was sitting on the floor to higher ground. Eventually, we managed to locate a company to bring in some water-sucking equipment to help extract the water from the warehouse. The fact it took 20 hours to remove it all tells you just how much water there was. That storm was a turning point for the store. We never reopened and we unfortunately missed out on the Boxing Day sales season, the biggest retail month of the year. It took us 10 years to give bricks and mortar another try, (but there's a lot of reading to go until you get to that bit ...)

## **One last thing ...**

We can't not mention this one deal. If the Toshiba deal put us on the map, this Samsung one redefined the boundaries. In January

## CATCH OF THE DECADE

2009, between the hours of 12 noon and 1 pm, we sold \$1 500 000 worth of Samsung TVs. Yes, you read that correctly: \$1.5 million in *one hour*. If we could go back in time and recreate one moment from our history, this would be it: that moment our small team gathered around the computer, staring at the screen in disbelief, watching these phenomenal numbers roll in. We truly felt we were in some kind of parallel world, but we weren't. This was real, this was Catchoftheday and we were here to stay.



**Anees and Carlo, two of our early hires and loyal team members from the old days. Working hard, as usual! (Behind them you can see VJ—yes, another Vijay! He worked on that machine for 10 years and was one of the best warehouse team members we had. He is still at Catch!)**

# Buy the book

[booktopia](http://booktopia.com.au)

[amazon](http://amazon.com.au)

[DYMCKS](http://dymocks.com.au)

[catch](http://catch.com.au)

[QBD BOOKS](http://qbdbooks.com.au)

[audible](http://audible.com.au)