

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

CATCH OF THE DECADE

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

GABBY LEIBOVICH + HEZI LEIBOVICH

WILEY

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.

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

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catch of the day
-com.au

TIME LEFT
20:36:43


one product every 24 hours

Click [HERE](#) to register!


I forgot my password

Catch Countdown

TIME LEFT 20h 41m
LAST CATCH duzz1000



Small Fish

Explorer 7 Piece Camp Set - Blue	Explorer 7 Piece Camp Set - Blue
	\$29.95
	read more
Cygnett Groove Tube	Cygnett Groove Tube
	\$49.95
	read more
	8 Inch LCD Digital Picture Frame
	\$89.80
	read more
SEACRET SALT & CREAM SCRUB	SEACRET SALT & CREAM SCRUB
	\$24.95
	read more

Newsletter Signup

Subscribe to our Daily Catch Notification Service!

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

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 latchless 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.

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 m², a small office of 200 m² and a retail store of 2000 m². 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!)

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

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ISBN: 978-0-730-38849-4



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

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Printed in Singapore by Markono Print Media Pte Ltd

10 9 8 7 6 5 4 3 2 1

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