

DailyCandy to Launch E-Commerce

by [STEPHANIE D. SMITH](#)

Posted [FRIDAY OCTOBER 30, 2009](#)

From [WWD ISSUE 10/30/2009](#)



Daily Candy is launching online sample sale site, Swirl.

Photo By Courtesy Photo

NEW YORK — DailyCandy is jumping into the online private sale phenomenon.

The company, long known for its shopping, trend and travel recommendations and offers both on the Web and in newsletters, will next month launch e-commerce with the introduction of a members-only site, Swirl, Sample Sales by DailyCandy.

The new site will host three sales a week on Mondays, Wednesdays and Fridays. Each sale will last 72 hours, and include both established and up-and-coming names in apparel and accessories like Leifsdottir, Leigh + Luca and Lauren Merkin. While the two sites are positioned as separate entities, DailyCandy editors will choose the goods sold on Swirl. The new site will be based in Los Angeles, and DailyCandy editor in chief Eve Epstein will leave her post to become creative director of Swirl. Swirl will soft launch Nov. 16 to a group of DailyCandy subscribers, and officially launch in January.

"We have an immensely loyal following," said DailyCandy founder Dany Levy of the company's 3 million subscribers. "They trust us with the things we recommend."

Private online sale sites have been one of the most popular growth sectors of retail in the few years. Sites such as Gilt Groupe, Ideeli, Rue La La and others have acquired thousands of members and attracted significant investment. This week, Rue La La was acquired by GSI Commerce Inc. for \$350 million (GSI, ironically, is doing the backend operations for Swirl). Even established retailers have broken into the online private sale race, with both Neiman Marcus and Saks Fifth Avenue holding them.

DailyCandy, founded in 2000, has some advantages over its competitors in launching e-commerce with a built-in network of subscribers to market the sales to and a trusted editorial voice to hand-pick designers. However, one disadvantage it faces is

that the Swirl sales are only three days a week — Gilt, Rue La La and similar sites offer deals daily, and some offer products beyond fashion, including travel, electronics and home goods.

“This is like putting the Oprah factor into something,” said NPD Group’s Marshal Cohen. “In fact, it’s more educational than promotional. The value DailyCandy will bring to the party is they’ll educate their community. They’re going to have experts help their consumers make decisions.”

So why did DailyCandy wait so long to launch e-commerce? “Everything we do, we research very carefully, and want to be in the right place at the right time,” said Levy. “Editorial is a very different animal than retail. For us to claim we could do it [too soon] would have been a sad mistake.”

DailyCandy was purchased by Comcast in 2008 for a reported \$125 million after former AOL chief operating officer Bob Pittman flipped his stake in the site. Now, DailyCandy is part of a media conglomerate that includes Fandango, Style Network, Movies.com and E! It services 28 different e-mail newsletters covering 13 cities as well as subjects like kids, travel and weddings. DailyCandy launched a Web site in September that includes archived content from past years and new information from each city and subject in one place. (Readers also have a chance to comment back to the editors in a public forum.)

DailyCandy generates most of its revenues from advertising sold on the site, banners within its newsletters and its dedicated DailyCandy e-mails sent for an advertiser. The company reportedly had revenues of \$20 million last year. But additional partnerships are diversifying that base. The site has partnered with Target to curate its Red Hot Shop, a monthly store newsletter with product picks from DailyCandy editors. It also created DailyCandy Pocket city guides for New York that were distributed in W Hotels, and will branch out to Los Angeles in partnership with the Viceroy and Urban Retreat hotels starting this month.

DailyCandy will also roll out new verticals through its newsletter distribution and Web site. This week, it launched a weekly gift newsletter, ShopTalk, just as the holiday season approaches and will expand its beauty content early next year. Beth Ellard, DailyCandy’s senior vice president, general manager, is eyeing further growth opportunities around more content for moms, kids, deals, local activities, entertainment and weddings.

“We’re focused on driving performance gains without losing the secret sauce of the DailyCandy voice and curation magic,” she said.