

New members-only online retailer, Allsale Club, launches in SA

ParcelNinja co-founder Justin Drennan and Michelle Lehrer have combined their e-commerce expertise to create Allsale Club - a members-only online shopping business with categories that include health and beauty, baby and toddler, toys, fashion, homewares, household and consumables.



Allsale Club co-founder and CEO, Michelle Lehrer, and co-founder Justin Drennan.

The new online platform – which uses global sourcing to bring more than half a million branded goods to South Africans at cheaper prices – plans to challenge the supply and pricing paradigm of the country’s retail sector.

Allsale Club aims to save consumers money on everything from everyday branded items – from batteries, razors and cleaning products to luxury items such as fashion, fragrances, cosmetics and watches.

Led by co-founder Drennan and co-founder and CEO Lehrer, Allsale Club has the benefit of experience garnered from two South African e-commerce players - online shopping website Wantitall and full-service fulfilment and distribution facility ParcelNinja. Drennan said Allsale Club leveraged existing Wantitall and Parcel Ninja processes, infrastructure and IT development, translating into a fully functioning supply chain from launch.

"Allsale Club works with suppliers around the world to bring more than half a million products to South Africans, many of which are not currently available on local shelves," said Lehrer.

"We believe we are launching at a great time for consumers, as value businesses thrive in a recessionary environment. We are everyday value and everyday great prices. We won't bombard members with promotions, we want to build trust that our best prices are always what members pay. Technology and the marketplace have met and the result is Allsale Club."

Driven by membership fees, not margins

With a members-only approach, the business model is driven by membership fees and not margins. "This means we pass great prices on to our members and we have developed internal incentives based on decreasing margins."

"We plan to disrupt retail sales in South Africa by using a business model similar to that of Costco, the American multinational corporation – which operates a chain of membership-only warehouse clubs around the world. They stand for quality at great prices, and this is what we will deliver to Allsale Club's members," commented Lehrer.

Membership is via a monthly fee starting at R79, with no contracts, lock-in periods or cancellation fees. "Many of our members will save more than the monthly fee in just one purchase. As our membership base grows, the better our purchasing power to seek out great offers and exclusive buys for members."

Key success metrics for the business will be membership growth and margin deflation, contrary to normal business models.

The site handles all import-related charges including duties and offers free returns. "We've made our business transparent for customers – the price you see online is the price you pay, including VAT, with no hidden customs duties."

www.allsale.co.za went live on 2 September 2019.

For more, visit: <https://www.bizcommunity.com>