

COVER STORY

The price of this trench coat at the Escada outlet was slashed to \$149, down from \$550.

SAVED!
73%



SAVED!
53%



SAVED!
53%



SAVED!
77%



We snapped up these \$298 Cole Haan pumps for just \$70.

Save BIG on clothes

New reasons to hit the outlets, plus how to shop like a pro

If you haven't been to the outlets in a while, grab your purse and put on some sneakers! When it comes to fashion, outlet bargains are tough to beat. And many smart shoppers are flocking to these discount havens. While traditional shopping malls are sputtering (just one regional mall has opened in the U.S. since 2006), the outlet industry is booming. Developers keep building more, and existing outlet centers keep expanding. Some are even opening up in major cities, so you don't have to travel hours to get the best deals. Turn the page to read more about what's new and exciting.

Of course, you can still spend too much, even on items marked down to what look like rock-bottom prices. Outlet shopping isn't for amateurs, as we learned when we took along a professional garment inspector on a recent staff shopping trip. She found lots of hidden defects. But don't worry—we'll tell you how to shop like a pro and get the best prices on the best stuff. If you can't get to the outlets anytime soon, turn to page 79 for some online outlets that are worth a visit.

SAVED!
77%



Saks Off 5th had tons of party dresses on clearance. We got this one for \$91, marked down from \$398.

PHOTOS: DAVID LEWIS TAYLOR; STYLING: MARIANA VERA FOR HALLEY RESOURCES

Outlet centers are hot! Here are five trends that make shopping at those bustling bargain bazaars even more exciting:

More—and more convenient—locations

Stanley K. Tanger built the first outlet in Burlington, N.C., in 1981. Last year, 11 new outlet centers opened in the U.S. and in Canada; another 11 were launched or will be online this year. And many newcomers are getting closer to major population centers. In the past, outlets were often out in the boondocks, requiring a day trip for most shoppers, but now you can find them in cities such as Charlotte, N.C.; Louisville, Ky.; and Palm Beach, Fla. And it won't be long before you'll be able to shop at an outlet center in Grand Rapids, Mich.; Norfolk, N.C.; and on the outskirts of Seattle.

There's a reason for the change. Traditional malls no longer demand that outlets stay outside of an agreed-upon radius from their operations. So outlet developers have been free to break ground where they wish—in some cases just a few miles from existing retail outlets.

Better selection

The vast majority of outlet inventory—86 percent, according to retail consulting firm Buxton—is now merchandise made

exclusively for the outlets, rather than overstock from the flagship retailers. That means you'll see more current-season merchandise in a variety of sizes and colors, rather than "whatever remains in a garish color no one wanted at the full-price store last season," says Marie Driscoll, a clothing-industry consultant.

Higher quality

Many stores are stocked with made-for-outlet items that may be very different from what you'll find at the regular retail stores. But don't assume you're getting second-rate merchandise. "The brands themselves don't want to dilute the value or perceived quality of the brand," says Todd Lukasik, senior analyst at ID Morningstar. "There may be things they do to change the product slightly, but in terms of overall quality, they stay true to the brand."

How can they then keep costs so low? Here's how Driscoll explains it: "At a full-price

store, a lot of R&D went into developing that dress or that handbag or that pair of shoes. That's expensive. For the outlet, merchandise is made based on the successful designs that were already manufactured for the full-price store. So it's not that the quality is less, it just costs less to make." Made-for-outlet brands that Driscoll likes based on quality include Coach, Ralph Lauren, Under Armour, North Face, and Nike.

New luxury brands

In the past year and a half, five dozen new chains entered the outlet market. And for the most part, they're not mainstream brands like Hanes and Van Heusen. Luxury labels are all the buzz, says retail analyst Karen Fluharty. Brands new to the outlet category include Alexander McQueen (known for creating Kate Middleton's wedding gown), hot-again French designer Céline, purveyor of minimal chic Helmut Lang, and hipster lines Marc Jacobs and Rag & Bone. And other high-end brands

such as Armani, Jimmy Choo, and Prada are showing up in more outlet centers, too. When we shopped at Woodbury Common Premium Outlets in upstate New York, there was always a big line outside the new Tory Burch shop.

Why the uptick in luxury labels? Retailers realize that not everyone who visits an outlet will shell out \$1,800 for a marked-down Alexander McQueen handbag (like the one offered for sale at the Desert Hills Premium Outlets in Cabazon, Calif.). But outlet stores offer a way to introduce new consumers to the brand in a setting that's perhaps less threatening—and more accessible—than a boutique on Madison Avenue or Rodeo Drive. It ensures, too, that heavily discounted items don't linger in the traditional stores, which "detracts from the full-price merchandise," Driscoll says. Given that rent and construction and operating costs are still relatively low at most outlet centers, it's a win-win for high-end brands.

Smart-phone deals

In addition to expanding in-store offerings, outlet centers are offering other enticements for shopping and more. For example, at Nebraska Crossing Outlets in Gretna, Neb., you can use iBeacon, an Apple technology that allows communication between more than 100 outlet beacons (Bluetooth-enabled broadcasting devices) and mobile devices that have an app called Nex. The beacons can recognize when your phone is nearby and send you alerts, including real-time promotions, discounts, and coupons. (Turn to page 24 for more insider secrets to saving big at the outlets.)

Extra attractions

Some outlets are luring shoppers with features such as upscale restaurants and food trucks, movie theaters, and art and music festivals. The new Tanger Outlets at Foxwoods, for example, is opening right next door to the Foxwoods Resort Casino in Mashantucket, Conn. The experience is not just about shopping anymore, Lukasik says. "So if you're going to an outlet with a group of people and everyone doesn't want to shop, someone can go see a movie or go gambling instead." And you might just get a deal on those extras, too; check out outlet websites and coupon books for discounts on food and local attractions.



How to get the best stuff

Not everything is a good value at the outlets. To get the inside scoop on what to look for and what to leave behind, we went shopping with fashion designer and production expert Ericka Mays. We took Mays, who has inspected garments and set quality standards for Norma Kamali, Cynthia Rowley, and others, to the massive Woodbury Common Premium Outlets. Here's what we learned to watch out for:

■ **INFERIOR OUTLET-ONLY ITEMS.** Outlet exclusives aren't necessarily lesser quality, but as we learned when our textiles expert did a comparison a few years back, they may lack details such as nice linings. To spot outlet-only items, check labels for the words "factory store" or extra dots or other unique symbols. Or ask a salesperson.

■ **NO LININGS.** Speaking of linings, they're a big clue to quality. No lining means the maker cut a corner; a nicely sewn inside means the

outside details are probably good quality, too.

■ **UNEVEN SEAMS.** Patterns should line up at the seams. If there's a zipper, make sure the fabric isn't higher on one side.

■ **LOOSE THREADS.** They can be trimmed, but Mays says they can be a tip-off that there are other quality issues with the garment.

■ **FATAL FLAWS.** Major rips, broken zippers, crooked hems, and other big problems either can't be fixed or will cost a fortune to repair unless you're a sewing genius. Usually, it's smart to walk away. That said, some fixes are easy. Wrinkles can be ironed or steamed; dirt or makeup smudges can be laundered; and small rips in a seam can be sewn. Fixable flaws can make an item a great buy. But always ask for an additional discount. We saved an extra 10 percent at least, every time.

Turn the page to see our outlet haul, including the good, the bad, and the truly ugly deals we found.



Take a wheeled cart or suitcase so that you don't have to juggle all of your bags!

THE GOOD

Here's the best stuff we found. These are all examples of great clothes at a great price, according to our fashion-quality consultant. The prices we paid reflect not just the markdowns on racks and tags, but also any additional discounts we could scrounge up, including coupons, special offers, and some smart negotiating.

CALVIN KLEIN

"This is a great dress for the money," Mays says. But we found a flaw in other dresses in the same style and size: One side was higher than the other at the back zipper.



just \$61 for the perfect LBD

ORIGINAL PRICE	\$140	WE PAID	\$61	SAVINGS	56%
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ANN TAYLOR



The front looks dressy, but the back is T-shirt material, so it will breathe under a jacket.

This busy pattern lines up at the side seams. Mismatched fabric is a clear sign of poor quality.

ORIGINAL PRICE (TOP)	\$50	WE PAID	\$21	SAVINGS	58%
ORIGINAL PRICE (SKIRT)	\$80	WE PAID	\$34	SAVINGS	57%

J.CREW



High-end details include a nice cotton lining.

ORIGINAL PRICE	\$138	WE PAID	\$44	SAVINGS	68%
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NEIMAN MARCUS LAST CALL



We saved \$1,168

This cashmere-and-wool coat has a luxurious lining.

ORIGINAL PRICE	\$1,435	WE PAID	\$267	SAVINGS	81%
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ANN TAYLOR



WOW—a \$48 suit!

We found these hanging separately on the clearance rack.

ORIGINAL PRICE (JACKET)	\$160	WE PAID	\$26	SAVINGS	84%
ORIGINAL PRICE (SKIRT)	\$80	WE PAID	\$22	SAVINGS	72%

SAKS OFF 5TH



This well-made Trina Turk was our biggest bargain!

ORIGINAL PRICE	\$328	WE PAID	\$44	SAVINGS	87%
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J.CREW



Double and triple stitching on yoke and pockets impressed our expert, who wanted to buy them for herself!

ORIGINAL PRICE	\$88	WE PAID	\$35	SAVINGS	60%
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BANANA REPUBLIC



"Beautifully made," Mays says. And no ironing required!

ORIGINAL PRICE	\$60	WE PAID	\$30	SAVINGS	50%
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OUR TOTAL HAUL

We snatched up \$5,601 worth of great buys (shown here and on the previous pages) for \$1,632. That's a savings of 71 percent! Our total reflects the original markdowns plus all of our extra coupons and discounts.

SAVED!
\$3,969

THE BAD

Sometimes what looks like a good buy isn't because of construction flaws, cheap materials, or design problems. In some cases the overall level of quality just doesn't match the price tag. An expert can spot this stuff a mile away—and with some guidance you can, too. We saw it all during our recent trip to the outlets. Based on the price tag, the items shown here weren't worth buying. (We bought them anyway, of course, so you could learn what we did during our shopping trip—and it killed us!)

MAX STUDIO



This knit "stretch" dress contains no Lycra, so it will quickly stretch out.

ORIGINAL PRICE \$118	WE PAID \$41	65% SAVINGS
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BANANA REPUBLIC



This sweater is made with thin fabric that looks like it won't wear very well.

ORIGINAL PRICE \$55	WE PAID \$23	58% SAVINGS
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CALVIN KLEIN



Is it cold in here? No, it's just the poor, pointy design in the bodice.

ORIGINAL PRICE \$140	WE PAID \$74	47% SAVINGS
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THE UGLY

Can you say disaster? These two garments were the absolute worst buys we found and wouldn't be worth purchasing at any price.



This trendy Helmut Lang sweater at Saks Off 5th was totally shredded but still priced at \$103!

Even \$17 is too much to pay for this cheapo Ann Taylor polyester top. "It feels like plastic," Mays says.

BANANA REPUBLIC



This dirt smudge is no big deal. If it were the only flaw, this dress might have been a good buy.

A close look revealed lots of small snags, which could turn into big ones later.

ORIGINAL PRICE \$110	WE PAID \$29	74% SAVINGS
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MAX STUDIO



The broken stitching is not an easy fix, unless you're a good seamstress. (We negotiated a 30 percent damage discount.)

ORIGINAL PRICE \$198	WE PAID \$90	55% SAVINGS
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CALVIN KLEIN



These pants look great on the hanger, but inside, they are a mess.

ORIGINAL PRICE \$80	WE PAID \$42	47% SAVINGS
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BUY IT OR SKIP IT?

Only one of these dresses is a good deal; the other is too far gone to fix. We found both at Saks Off 5th, in a section where everything was an eye-popping "Buy one, get TWO free!" So after buying a pair of pants, we got these dresses at no charge! But only the black one-shoulder Calvin Klein dress, originally \$240, was worth bringing home. It had a 3½-inch rip in the seam, a snap to stitch up. "This is a killer find!" Mays says. But the red French Connection party frock, originally \$198, had too many problems, including a broken zipper, which is a pricey fix, and bodice cups that poked out awkwardly, something that can't be repaired at all.



BUY IT! A ripped seam is an easy fix.

SKIP IT! You can't repair these badly designed bodice cups.

10 insider saving secrets

The average savings at outlets is 38 percent, but you can knock that down a lot further with these smart shopping strategies.

■ **PLAN YOUR ITINERARY.** To avoid wasting time and missing out on bargains, log on to your local outlet center's website and download a map before going to shop. The typical outlet mall these days covers more than 400,000 square feet and includes 100 or more stores, so a game plan (and a good pair of walking shoes) is a must.

■ **GET THE COUPON BOOK.** While you're on the website, look for printable coupons. Some centers charge a fee for a book of coupons on-site, but you can generally download it free by signing up for the rewards program (see below). If you forget, stop by customer service to get a hard copy. While you're there, be sure to ask about any additional perks for AARP and AAA members, college students, or military, for example. At the 68 Simon outlets across the U.S., shoppers 50 and older get 10 percent off at participating stores on Tuesdays, and during the month of October, anyone who donates \$10 to the Susan G. Komen foundation receives a special coupon book.

■ **SIGN UP FOR REWARDS PROGRAMS.** You can snag exclusive, personalized coupons and sale offers. At the website for Tanger, which operates 40 malls nationwide, a one-time \$10 fee earns you free gift cards once you hit certain spending levels, free coupon books you can access on your mobile device, exclusive Web offers, and more. Signing up for the free Simon VIP Shopper Club gets you a free coupon book, sales alerts, and exclusive coupons. Ask about rewards programs at your favorite stores, too.

■ **WATCH FOR BIG SALES.** Because there are more made-for-outlet merchandise at outlets and fewer factory seconds these days, sales are more common than in the past. For example, Outlet Collection at Niagara-on-the-Lake, Ontario, recently had

a four-day sale, with 70 percent off everything in the Gap factory store, plus a coupon for an additional 15 percent off purchases of \$75 or more.

■ **DOWNLOAD OUTLET APPS.** Tanger's app, for example, displays exclusive offers that pop up when you're nearby. Some stores let you text for deals.

■ **USE SOCIAL MEDIA.** "Like" the outlet center and your favorite brands on Facebook, and follow them on Twitter and Pinterest to be notified of sales and exclusive promotions.

■ **TIME IT RIGHT.** Price slashing generally takes place on holidays and during traditional retail sales periods, including back-to-school and Black Friday. To avoid the crowds, plan your trip for Tuesday, Wednesday, or Thursday, when there are fewer shoppers. Plus that's often when new merchandise is delivered!

■ **START SHOPPING AT THE BACK OF THE STORE.** You'll usually find the biggest markdowns there. Off-season merch is often the best value. And though the stores devoted to individual brands sell exclusively made-for-outlet items, department store outlets, such as Nordstrom Rack, Neiman Marcus Last Call, and Saks Fifth Avenue Off 5th, are where you still might be able to score that last pair of Manolo Blahnik pumps marked down from \$600 to \$200.

■ **COMPARE PRICES.** Just because it's at an outlet doesn't mean it's a bargain. When we compared prices at outlets with those at flagship and department stores, we occasionally found identical or similar items for the same price—or even cheaper. And remember: An outlet store may note that the selling price is 65 percent off retail, but outlet-only items were never priced at retail in the first place. You can always do a price check online before you buy.

■ **TALK TO SALESPEOPLE.** They are usually happy to point you to unadvertised bargains. "I find the service in the outlet stores can be much better than at traditional retail stores," Driscoll says. "The salespeople really know and love their brands."

