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International Herald Tribune
Wednesday, February 20, 2008 | 11

Fashion e-commerce finally comes of age

By Oliver Horton

LONDON

It has taken time but the Internet has come of age as a vehicle for selling fashion. "It was new; now it's not so new," said Federico Marchetti, founder and chief executive of the multibrand fashion e-commerce site Yoox. "It is a little bit more mature. We have learned a lot in the last eight years."

According to the latest Nielsen Global Online Survey, published in December, fashion now is second only to books when it comes to shopping online. About 36 percent of Internet users said they had bought clothing, accessories or shoes online in the three months before the survey, a large increase compared with the 20 percent who reported doing so only two years before and the fastest growth in any e-commerce category.



Federico Marchetti, the founder and chief executive of Yoox.com.

Geographically, the highest percentage is found in South Korea, where 99 percent of all Internet users say they have shopped online. Britain, Germany and Japan are runners-up, with 97 percent of the users in each of the three countries reporting purchases online; the United States reported 94 percent.

When it came to fashion shopping, Britain, Germany and the United States had an especially high number of fashion shoppers, with slightly more than 40 percent of the users reporting online purchases.

"Within Europe, there is a much higher take-up in the U.K. and Germany for buying fashion online. People in those countries are used to having clothing delivered to their homes — they have a strong history of mail order catalogues," said Angela Rumsey, business editor of the fashion news and research service WGSN.

Although the auction site eBay is the No. 1 Internet destination, both overall and for fashion shopping, specialist fashion sites are ploughing a different field. Until recently, top-end fashion companies were reluctant to get involved in e-commerce for fear of dam-

aging their brands but now, Marchetti said, "Frankly, I don't think there is a limit to how much it can grow."

The Milan-based Yoox, which sells names including Armani and Dolce & Gabbana through its international portal, will create 12 online stores for designer and luxury brand names in the next 18 months, he said. The company already operates sites for Diesel, Marni and Emporio Armani and this season it is selling an exclusive capsule collection: menswear from the designer Hussein Chalayan. Chalayan is presenting his women's collection Feb. 27 in Paris but his menswear is only available through this one-season deal with Yoox.

The rival multibrand site Net-a-Porter upped the ante earlier this month in an unusual linkup with the newly revived fashion house Halston.

Within 24 hours of the fashion show in New York, the online retailer was offering two styles from the fall/winter 2008 collection designed by Marco Zanini — five months before the line will be available in stores.

One of the items, a wool jersey shirt dress at £775, or \$1,500, sold out within 45 minutes of go-

ing online — the fastest-moving product on the site since its start in 2000, Net-a-Porter said. In a matter of days the second piece, a jersey drape cocktail dress at £925, also was gone.

In effect, quick-witted consumers got some of the instant service that only celebrities can usually command: Net-a-Porter offers same-day delivery in New York and London, meaning that the Halston designs could be worn the evening after the runway show.

The link between Halston and Net-a-Porter will continue next season, said Bonnie Takhar, president and chief executive of Halston. "The global online presence and outreach of Net-a-Porter makes this partnership with Halston an ideal marketing initiative," she said. "It allows us to embrace the Internet as a part of this integral strategy and deliver results to the modern trend of the quick consumer. This is truly a pioneering concept in the fash-



Clockwise from above, Yoox.com and one of its menswear styles; My-Wardrobe.com and three dresses sold on the site; and Halston on Net-a-Porter.com.



ion industry and we absolutely intend on expanding upon this distribution channel with future collections."

Sites like Yoox, Net-a-Porter and newer players like My-Wardrobe may not be top 10 Internet sites but they and other collection sites have made it possible to sell premium, designer and luxury items online, wrapping the experience in layers of exceptional customer service: same-day delivery, free returns, fast response to queries, plus imaginative and reassuring presentation on the actual Web sites.

"There has been a dramatic transformation even in how brands view online distribution in the last six months — everyone is firmly convinced that it works," said Sarah Curran, founder of My-Wardrobe, based in London. "To get hold of the customer you have to have really strong service. You don't have a sales assistant to charm and persuade the customer."

Even for bricks-and-mortar retailers, the Internet offers additional opportunities in what is looking to be an unpromising year. Later this year, both



the Spanish El Corte Inglés department store and its French equivalent, Galeries Lafayette, say they will unveil bigger, better Web sites, and in Britain, prestigious stores like Harrods and Harvey Nichols are making more products available online.

Retailers attitudes have changed, according to Rumsey of WGSN: "Instead of asking, 'How much can we sell online?' retailers are now more interested in aligning what they do online with the in-store experience. That's the key."

The Internet also can promote traditional shopping, according to Andrew Lipsman, senior analyst at Comscore, which monitors Internet use.

"While e-commerce might usurp some sales from bricks-and-mortar locations, it can promote offline spending in other ways. Many consumers shop online and do price comparisons before heading out to bricks-and-mortar retailers to make their purchase, so

in many ways e-commerce facilitates both online and offline purchasing," he said.

Internet retailing is adapting in other ways, too. Net-a-Porter has partnered with a Small World, a by-invitation social networking site, to give members access to its own online shop — a members-only shopping club.

And ethical clothing, a market that has won more lip service than actual investment on the high street, now has a dedicated fashion Internet site: Adili, a British-based company whose suppliers include green brands like Edun and People Tree.

Adili's chief executive, Adam Smith, said: "From a European perspective, the whole market has moved on in the last six years, but the relative take-up still follows the same patterns, with the U.K. and the Nordic region being earlier adopters and lowest take-up being Southern Europe or Mediterranean countries."



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