

Technofashion

A super-automatized warehouse. Hi-tech procedures. In this way, the online retail Star ships items all over the world.

Glamour & technology. To attract people on the group's websites you need to make them dream, to transform them into loyal customers one needs to be precise as Swiss watches. Even by spending 20 million euros in the automation of YOOX's largest warehouse, the Bologna Interporto. For the miscellaneous cocktail of Federico Marchetti, Founder of the leading group in online fashion, what is fundamental is the enthusiasm of personalities such as Arianne Phillips, the coolest costume designer in Hollywood and Madonna's friend and personal stylist since a decade, compulsive buyer on YOOX's websites and currently free consultant for the latest bet of the 43 year old Ravenna-born: shoescribe.com, an online destination dedicated entirely to women's shoes.

However, the affirmation of the company which was created in 2000, clamorous success story of quality Internet Retail, highly-valued by yankee investors and with the encouraging wind of the Stock Exchange on its side, it all would not be possible without the unstoppable back-and-forth, in the 40 thousand meter-square logistic center, of the 24 stacker canes (carts which continuously move between the 12,6 meter high shelves), realized by the Austrian Twg in collaboration with YOOX; or without the intensive use of radio-frequencies, which removes any possible mistake in the handling of the transported garments. From above, one can see the cases steering at high speed, on the so called "roller", to take the right road. Furthermore, the speed of execution is one of YOOX's strengths, which claims dealing with 99% of orders in the right time. Each translocation can take two cases per journey: each containing approximately 18 items and is put on the roller, where it evolves towards the conveyors and finally reaches the various packaging tables, where the purchases are elegantly wrapped and packed (most brands have their own dedicated wrapping paper in which the item is placed). On its entirety the rollers and belts are 3,5 km long.

At the heart of YOOX, 200 employees deal with the so called "digital production", the transformation of every garment into a digital item, with a barcode and especially a Rfid (Radio Frequency identification). YOOX has been one of the first to largely adopt the radiofrequency in the Fashion world (until now it was mainly used in the pharmaceutical and mass-consumption industry). Besides guaranteeing the maximal precision in moving from the shelf to the exit of the warehouse, the Rfid technology is also used in YOOX in China to create a new micro-chip anti-fraud seal. Because, although this anecdote may be amusing, Chinese customers are still very worried by purchasing counterfeits items. 500 employees currently work in the modern mega-warehouse, which has been thought through to be possibly enlarged with the growth of the business. There are 35 photographic studios to portray all the products, with each brand's respective modality. Besides from the virtual store yoox.com, the boutique thecorner.com, and since a few days, the only-shoes shoescribe.com, YOOX powers over 30 mono-brand websites (such as armani.com, diesel.com, zegna.com). And each answers to different exposition requirements. YOOX is Italy's largest employer in photography, they are probably 60 to continuously shoot images. In the middle of a lot of technology, the environmental touch could not be missed: every container used in the warehouse are 100% produced by recycled and recyclable materials. The YOOX packaging has been created ad hoc and certified by 4 international entities. And guess which is the company car, equally used for everyone? The Toyota Prius itself, the most sold hybrid car in the world. Marchetti has taken 30 in lease, and to go to work and come back home, he encourages his employees to use car-sharing.

The other office of YOOX, also outside Bologna, is called "the temple", or also web-factory. In a large open-space a hundred engineers and another ten technology experts – from over 20 nations – develop new solutions, Web interfaces, and everything which is needed to enable the smooth logistic operations, the relationships with the suppliers, the customer-care activities. The YOOX customer is so loyal because he finds himself well, sustains Marchetti, and we need to take care of him to the maximum. Even accepting the fact the fact that, in the 20% returned-items (a natural rate, according to him) there are some opportunistic behaviors. When it comes to the shipping, the Bocconian with a Columbia Master, does not limit on expenses: he wants the best consignors, region by region. Bartolini is the best in Sicily? Let's use him. If you tell him it seems like being in the Silicon Valley, Marchetti doesn't nod. He believes he has created a mix between american analytical skills and Italian creativity.

The image of the ex-hacker who plays ping-pong in bermudas during lunch break doesn't fascinate him. Other things, from the US, attracts him. He has recently bought an apartment in New York's ex-Police Building, on Center Street. In the 20's and 30's, in that same building the baddies would fight similarly to in "The Untouchables". And the doorman, a few days ago, showed him the underground tunnel in which they would take the most tough criminals. Mr YOOX remembers that Al Capone crumbled on the tax authorities. He, on the other hand, swears, is proud to pay taxes. And to pay them in Italy.

The American overtake

An order every 16 seconds and about 10 million unique visitors per day, who connect and buy from all over the world, from Finland to California, from Honolulu to Vladivostok.

But what do they buy, the frantic army of YOOX aficionados? Especially shoes, with the Italian and French girls hopelessly attracted to ten centimeters high shoes. The Germans are on the front line in ordering hats, while the most greedy of ties are in Italy and Japan, the Americans are greedy in bow-ties. Amongst, the black color dominates, by far the the ladies favorite, while men especially like blue. Behind the classic colors, the YOOX database shows an unexpected attraction for purple by the Italians; less surprisingly, however, the appeal of red by the Spanish. When you order? With us, the peak is at night, especially on weekends. In the rest of Europe, customers prefer to go shopping during office hours, in the United States and in the Rising Sun in the late afternoon or at night. The shopping done on smartphones and tablets was initially mainly used by the male audience, but now it has become very popular as well for women. Even for large sums: for a coat seen on yoox.com, in Belgium, 3 000 euros were spent, while in the U.S., via the iPad \$ 3,400 were dropped for a single item by Balmain spotted on thecorner.com. Since last year, North America has become YOOX Group's main market, overtaking Italy: almost 60 million euros of purchases, 20.5 percent of the overall. Also Japan is rising: 47.6 percent since 2010.

Records Held

With more than 80 percent of its turnover over the border and having the most international shareholder composition among the listed companies, YOOX Group is the most brilliant amongst the new entries on the Milan Stock Exchange. Gone public at the end of 2009 with a share at 4,3 euro, the stock has nearly tripled its price and a recent report by an investment bank estimates, in the future, a value of 20 euros (now it is around 11,3). The company is valued at 627 million euros: more than Brembo, the world leader in high performance brakes, or more than Geox's shoes, although the former has a much lower turnover but in net growth (291,2 million in 2011, with a surge of 35.9%). Among the main shareholders, besides the Founder & CEO Federico Marchetti, there is the Balderton Capital fund (with 10.6 %) and Diesel's Renzo Rosso, one of the first to believe in YOOX, with 6,1 %. Another titan of the US financial sector, the Oppenheimer Funds, announced to have raised its stake from 2.9 to a 5 %. YOOX makes money with handbags and gallops on the stock exchange.