

E-commerce. In the matrix of YOOX Group

In Northern Italy, this e-commerce website is based on unstoppable logistics and an in-depth analysis of data in order to sell clothes all over the world.

Lost in the countryside near Bologna, the YOOX Group logistics area looks like a sea port with the highway all near the yard and the huge warehouses surrounded by parking lots. The Italian online retailer for fashion and accessories established in 2000 and listed on Milan Stock Exchange, with 14 million unique visitors per month and 2.3 million orders in 2012, has its operational headquarters here. A map at the entrance of the first building gives an idea of the scale: small flags mark the nationality of employees, 40 different countries, almost 101 languages.

The French have a relatively basic knowledge of this e-commerce giant, with a different economic model compared to its competitors: French *Venteprivée.com*, more hexagonal, and British *Net-a-porter*, smaller and prescriptive. Founder and CEO of YOOX Group Federico Marchetti scrutinizes the latter especially, and immediately specifies the different nature: "They publish an online magazine from which it is possible to buy, we give life to a store through content".

Particularly complex, the many-tentacled YOOX is also a rare animal: after starting thirteen years ago selling end-of-season pieces online, the site is now a three-headed hydra (YOOX.COM, THECORNER.COM established in 2008 for a luxury niche and SHOESCRIBE.COM, the shoe website launched in 2012). It is also the provider of many luxury brands which make use of its technical competences to design their own sites (Marni, Emporio Armani, Diesel, Valentino...). The website also works with the brands of Kering Group (ex-PPR) since the signing of the joint venture with the Group in August 2012. On the ground, YOOX Group's Lego is presented as a modular assembly with a first building of 45,000 m², the heart of digital production. In a large cube divided into sets, there are 60 photographers who shoot on mannequins or in still-life, tops, skirts and shoes, in order to supply THECORNER.COM and SHOESCRIBE.COM with visual content. In another part of the building, more automated, a chain leads to a strange patented machine which takes pictures of clothes on hanging rails in mere minutes, which will then be published on YOOX.COM. In total, 18,000 copies produced per day, each partner brand sets in detail their wishes in terms of shooting and framing.

It is finally in the last part of the factory, the most "Matrix" of all, where the clothes are finally packaged, labeled and dispatched by geographical area. The packaging is done by hand with recycled cardboard boxes or with the brand's packaging, and then labeled with your address. The system is adapted to locally distribution systems: in Russia products are delivered by national post, in Japan, considering the lack of accurate address, it is the Yamato company, the UPS local equivalent.

YOOX is the most symptomatic example of the strategy of major economic groups in recent years: working globally (selling items ordered from tablets and smartphones in 101 countries) and locally with five local strategic centers operating over large geographical areas in Bologna, Hong Kong, Shanghai, Tokyo and New York. At five minutes by car from the logistics buildings, the third building of the "temple" hosts the brain of YOOX Group: 200 engineers work to feed the system with grey matter, with the eyes on the real-time data. It is Davide Di Dario, eight years at YOOX, who orchestrates the team of engineers. The good looking philologist with a beautiful face began at the customer service department and is the result of the house meritocracy. "To recreate the shopping experience in a real shop on a screen" is his task. To adapt the matrices to the customers' needs, inventing new applications constantly. A light-up board allows us to see, in real time, the connection areas. At 3 o'clock that day, the audience measured in real time was 22,055 viewed pages per minute, 700 orders per day. It is at the top of mind of customers from Europe, Japan, Australia and Brazil. "Engineers work to offer the same multi-channel experience for all types of devices," says Davide Di Dario. With specificities per country: while the French buy in the evening, Italians consume during the lunch break. Japanese are crazy about green, Italians about violet, and Spanish about red. For these countries there is a search option by color, not very much used by the French, which allows you to save time. The aim is to reduce returns as much as possible, thanks to the facilities provided by the device. "Italians have always had the know-how to duplicate in a simple and rigorous way complex things," says the CEO. "With YOOX, we are just at the beginning of the mosaic of e-commerce. Every time we add a new item, a new service to the puzzle. 25% of the traffic comes from smartphones and tablets. For us, that is more than a revealing trend in the habits of consumption, that's the challenge for tomorrow." They expect about 50% increase within three years. The matrix YOOX is already working to fit these new formats.