

### Online shopping pioneer's pin-sharp sharp focus

Italian Federico Marchetti is the man behind YOOX, a company that pioneered on-line retail fashion

Few would imagine that Federico Marchetti, with his fastidious manner, sharp dress sense, impeccable manners and brilliant business mind was once a laid-back surfer dude, whose main ambition was to go in search of challenging waves.

But the two personas are not as disparate as they seem. When Marchetti applies his attention to an activity, whether as a surfer and tennis player in his younger days, or innovative entrepreneur in his adult life, he is single minded and intensely focused, determined to be the very best in that particular field.

The company he founded, YOOX, was a true pioneer in the fashion field, totally changing the way people shop for clothes. When YOOX launched some 15 years ago, on-line shopping was something of a novelty; *fashionistas* might buy the odd piece via the internet but any major purchase, especially an expensive item, inevitably include visiting a conventional bricks-and-mortar boutique, or at a mall.

Not any more. YOOX has grown from one man - Marchetti - with a novel idea, a smart business plan and not a lot of cash, into an internet giant with the main web site, [yoox.com](http://yoox.com), specialist offshoots such as [THECORNER.COM](http://THECORNER.COM) and [SHOESCRIBE.COM](http://SHOESCRIBE.COM) and other sites built especially for individual fashion brands.

The main YOOX warehouse, in the Italian city of Bologna, ships a dress, a cardigan or a pair of shoes every ten seconds, with annual global turnover estimated at some €500 million. Business in China is thriving, with local customers the highest spenders per head of any nationality, although the usually-open Marchetti is wary of disclosing the precise figure, except to say that the average worldwide is US\$250 per customer.

Every stage of that phenomenal growth has been plotted, planned and executed by Marchetti, who is very much a hands-on CEO. As well as business acumen, another asset in his intellectual armoury is a photographic memory that is able to recall names, faces and events from many years earlier. His fussily-neat personal style, and mannerisms, suggest a supremely well-organized individual, a trait he is proud to confirm.

He says: "I am very efficient and super organized, you need to be when you have so much to do, and so many things to follow. If you are not organized you are dead. This I learned when I was a kid, going swimming and then to judo and then after judo for a couple of years to please my parents I was also doing piano lessons. I was going to piano lessons after the pool with big red eyes!

"This was multi tasking and I think it helped me to become very efficient in studying. In business I think they key to success is never give up. Every day it is a challenge, every person you deal with can be a problem, or a great thing. When something goes wrong I always think from this problem how can I make it an opportunity and it works."

YOOX will be a business-school case study for many years to come in how to maximize an opportunity. Although YOOX was - and is - a groundbreaker, Marchetti approached the founding of the business from a rational and long term point of view, rather than an individual with a wild idea and no effective execution plan.

A solid education at business schools in Italy and the United States equipped him with the theoretical tools of the trade; a spell working in the corporate world provided more practical skills. Marchetti, a keen follower of fashion, looked, listened and learned before coming up with the idea of YOOX, an online retailer which would specialize in selling trendy, high-end clothing. The name he chose sounded hi-tech and futuristic, reflecting the aspirations of the company, to target 21<sup>st</sup> century, digital-savvy and discerning shoppers.

"It was not a Eureka moment, it was very rational," he says. "I have a passion for retail, I love the customers. I feel like I am a shopkeeper, I do things in perhaps a more innovative and new way that a traditional shopkeeper would do. The satisfaction comes from to see ideas become reality.

"Everything comes with a price and there have been a lot of sacrifices in the last 15 years, working and thinking about YOOX every day, every hour. It's fun but it is also very absorbing."

Once YOOX had become solidly established, one of Marchetti's ideas was to offer a service for the actual fashion houses companies who, in many cases, had been tardy in recognizing the fantastic opportunities for mouse-click sales. Even the most hide-bound old-school executive could see the tremendous advantages in having YOOX experts build their retail platform and create the requisite sales software - for a fee of course - given that it was mutually beneficial to stress, and maintain, quality exclusivity, integrity and style. When customers click on to EMPORIOARMANI.COM, MARNI.COM, MONCLER.COM or DIESEL.COM, the web site will have been designed, and built, in association with YOOX.

The fastest-growing market for online sales of all kinds is, of course, China, where the average customer age is under 30 - younger than the international average - with a reputation as higher spenders and price-conscious bargain seekers. Increased knowledge of international fashion has led to more discerning tastes: demand for the lesser-known, niche brands is increasing, as buyers look beyond the obvious, logo-prominent names.

There are other Chinese idiosyncrasies, including the record for the highest purchase in the web site's history, a female customer who bought a Dolce & Gabbana leather jacket that cost around RMB150,000. China is the only country in the world where there are more male customers than female; women shoppers love black and purple, Italian brands and high heels; men favor white, bright gold and platinum colors and love their sneakers.

The boss himself is something of a niche-brand individual, opting for a crisply-casual look that identifies him instantly as a snazzily-attired businessman - most likely someone associated with the creative area. A typical outfit would be a Martin Margiela suit, shoes by Comme Des Garcons, a shirt from a Milan tailor, spectacles by Oliver Peoples and, on the wrist, one of two vintage watches he owns, crafted by Patek Phillippe and Jaeger-LeCoultre respectively.

When pressed on exactly how many suits he owns, Marchetti ducks and weaves for a while before sheepishly admitting that the collection nudges the 100 mark. All of them, of course, carefully co-ordinated by colour and style, but not necessarily purchased in a digital way.

He says: "I mix it. For trousers I still love to buy offline. For me it is the most complicated item to buy, it is a bit tricky because maybe the day before you have eaten, or drunk and the body has changed."

There are also the physiological effects of a grueling annual travel schedule: around a third of the year is spent travelling, paying visits to the YOOX Group operations in different parts of the world; there are five logistical centers, three located in Asia. The constant continent-hopping means Marchetti is only able to spend limited time with his partner, a British fashion journalist, and three-year-old daughter.

Marchetti's own childhood was spent in the Italian city of Ravenna, where sporting activity was a major part of growing up. When recalling those years, he becomes reflective, even philosophical, recalling how he managed to combine academic excellence with a passion for tennis, swimming, surfing and judo. He becomes misty-eyed at the memory of a camper-van trip with teen pals, where they travelled all over Europe in search of great waves.

The surfing metaphor is also adept when it comes to business: the online shopping wave was created by YOOX and keeps growing and growing. At 45, the founder is in his business prime, with many new ideas bubbling away in his razor-sharp business brain. While outgoing and chatty, he is not in the least bit flamboyant, or a deliberate seeker of publicity; Marchetti has been described as the most influential fashion person that nobody outside the industry has heard of

He adds: "I am a businessman but the creative component is quite strong. They live very well together, if I was only doing business I would get bored. For the internet and fashion together we have invented a lot of thing and have helped to educate people in a new way of thinking, the brands and the customers. In this way I think I am influential as an adviser and taken them by the hand into an unknown world.

"In terms of risk it is very well diversified. We will keep building. We are known for great service and technology."