

The inventor of online fashion

Federico Marchetti is a real dynamo. He has always dreamt of being an entrepreneur. He finally became one with a revolutionary idea: bringing fashion to everybody's doorstep through the Internet. With YOOX and NET-A-PORTER, he generated an original way to propose exclusive items through content.

He loves splashing around (and thinking) in his natural element: water.

His best ideas come to him in the pool, lake or sea, under the shower or in the bath. Even though, to be honest, the idea of YOOX came to him one dreary afternoon in Milan in October 1999 on his way home after spending ten hours in the office at Bain & Company. It was one of those days when life gets you down.

Federico Marchetti is an ingenious and tenacious individual. Extremely tenacious. One of those friendly-shy people, who talks while he constantly sips tea with ginger and turmeric that puts him at peace with both his stomach and his slightly "Asian side", as he says. He was born in Ravenna 48 years ago but has always been, culturally speaking, a citizen of the world. Now he is also a major global player in his own worlds of fashion and e-commerce, two of the most contrary forces that he has managed to pull together.

Inventing YOOX from scratch by combining his two great passions - fashion and the web - was no fluke. Back in 1999, when hardly anyone knew what e-commerce was, Federico was already planning how to understand customers, anticipate the market, and work out his own trends by using the network.

From then on, gradually but not too slowly, he managed to build an empire worth 2 billion euros in revenue, with 4,500 employees and three million customers in 180 countries who buy from the Group's multi-brand in-season and off-season online stores - NET-A-PORTER, MR. PORTER, YOOX and THE OUTNET. Each with its distinctive characteristics but all deeply rooted in high or very high-end fashion.

He's also a very ambitious man. Since 2009, Federico has set himself the goal of merging YOOX with NET-A-PORTER, the two world leaders of online luxury retail that were established in a rapidly growing yet constantly changing market. On his third attempt in 2015, he finally succeeded in creating YNAP, a company that could reach every type of consumer across the luxury sector.

His story is that of an ordinary boy raised in the Italian provinces, who played tennis, spent his days at the local beach, "BB King" with boys of his age, doing all the things that kids do at that time of life, even though he was an A-grade student. Above all, he was a visionary - an "imaginative" type as his teachers used to say, judging by the kind of things he wrote. "I grew up with a group of friends who are still my best friends," tells Federico, with a smile: "David is a certified accountant and still is my business consultant, Bendi - Cristiano - has opened several restaurants, and Fabio and Gigi are running their family businesses. When I go back to Ravenna, especially in the summer, we all get together again. My father Giancarlo worked very hard as a warehouse manager at Fiat in Ravenna, and my mother Lidia was a switchboard operator at SIP, the Italian phone company."

Yes, Marchetti grew up just like millions of young Italians. Even then, he nurtured something inside, something he felt, that others do not have or feel - he had a plan, a big idea, a dream. Above all, the unwavering willingness to make it come true. Here's how he puts it:

"As a child I had this passion for inventing things, for creating something new. I was a miniature Archimedes, always coming up with revolutionary ideas. Sometimes I exaggerated a bit, such as when I thought we could fight world hunger using mozzarella made of wildebeest milk. Too bad we can't milk wildebeests - they're wild animals! Or when I wanted to produce socks with reinforced tips, because they were always wearing out. I thought about this until I realized that for the manufacturers it was better if socks got holes as they could sell them more."

Federico as a boy was a born entrepreneur. And because this is what he really wanted to do when he grew up, he completed his studies with this goal in mind. "Between the ages of 19 and 29, I deliberately decided that I wanted to learn how to become an entrepreneur," he says. "But I had no financial backing, so I had to find a revolutionary idea to attract capital. I tried out many different ways and aimed at learning as much as possible. I had a plan and I went through with it: Bocconi University, work experience at Lehman Brothers, a Masters at Columbia University and at the end I was expecting the Eureka moment." With one fixed idea - a near-impossible task.

As Federico says: "I have always been excited about being able to bring opposites together. I like the challenge of problem-solving and complex projects, because my mind works better when it has to handle complexity. When I drew up the YOOX business plan in 1999, I wanted to bring together the contrasting worlds of digital and fashion, and I was fascinated and even stimulated by this challenge."

And that Eureka moment? Well it arrived in the end, but it took time. In fact, when Federico decided he was ready to become an entrepreneur, he turned his back on the bright lights of New York and returned to the (hard) reality of his homeland. He expected to get involved in some kind of project, but instead found himself at Bain & Company dealing with things that didn't interest him at all. As he remembers it: "I quit an exciting life in New York and there I was back in Italy trying to make sense of all my experiences and my hunger for success. As an Italian, I asked myself what the competitive advantage of being an Italian was, so I focused on fashion, on our own Made in Italy associated with fashion, which is also a personal passion. And then came the YOOX epiphany, where I think of myself primarily as an entertainer. Yes, we are selling things but to some extent, we act like a media, because we also produce content. In fact, I like to call myself an *entertailer*, someone who combines entertainment with the retailer's business."

Here we are again with his opposites. "That's right," says Marchetti. "I wanted to bring together the contrasting notions of accessibility and exclusivity, which today blend perfectly into what we're doing. Our job is to present exclusive, hot products, through a cool media like the Internet. To achieve this, we manage both content and e-commerce, merging the two together and even more importantly, merging the storytelling with the business. Our entire system revolves around our capacity to create an exclusive world, which at the same time is wholly accessible to everyone. This has marked us out from all our competitors globally. Not to mention that we can also count on our own delivery network in some big cities," says the dynamic and enthusiastic Marchetti.

"We have just launched a new service in London called *"you try, we wait"* which enables customers to order products, we deliver them and wait while they decide whether they want it or not. It is all designed to make something exclusive become accessible. The YOOX NET-A-PORTER GROUP business model is now based on selling products with the highest quality content; our philosophy consists of having a business model that safeguards the exclusivity of the luxury brand and the fashion house's image by selling high-quality products." Some people might say that YNAP is the Amazon of luxury. Almost but not quite. "Amazon has enormous potential to deliver volume and caters to those brands that turn fashion into apparel," says Marchetti. "YNAP, on the other hand, focuses on very high quality and is exclusively aimed at luxury brands. It's the only e-commerce platform in the world that offers the highest degree of circulation and accessibility for high-end products."

Federico never stops: Milan, Paris, London, New York, Silicon Valley and everywhere else in the world where the energy is pumping. When he can, he returns to his home on Lake Como for a breath of fresh air. There, Margherita, his six-year-old daughter and already a visionary (or perhaps "imaginative" as he was at that age), has made her father promise that when she grows up, they will launch a start-up together. Thanks to Margherita, the fishing boat docked in front of the house is called Red Snapper, his daughter's favourite fish.

Mr YOOX, now Mr YNAP, has a full schedule and our time is over. Even thou, there would still be a thousand things to talk about, like his passion for cinema that brought him to fund the restoration of Fellini's masterpiece *Amarcord*. We could have also talked about the fatal attraction towards mobile technology that made him one of the first Italians with a mobile phone. Last but not least, we could have talked about the great respect for gender equality in the workplace (61% of YNAP's employees are women and female top executives earns 14% more than average).

The last big question asked quickly before saying good-bye: Do you have any secret wish? The brilliant Federico finishes with a joke (that might not be a joke after all): "I would like to receive an order on YOOX from Pope Francis: I've met him in Rome in 2016, but we talked about everything else..." he smiles "And to think that among the first YOOX's customers there's a group of nuns".