

INTERNET

Ralph Lauren boasts widest ecommerce product selection: report

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Ralph Lauren has a broad product selection online

By SARAH JONES

Luxury brands are generally expanding their offerings online, with between 5 and 6 percent more high-end items available via ecommerce in the spring/summer 2015 season than the fall fashion season, according to a new report by ContactLab and BNP Paribas.

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Luxury Daily

Ralph Lauren, Armani and Hermès boast the most products online, while Bulgari, Ferragamo and Prada showed the steepest growth of the sample as they work to increase online availability. As late adopters enter the online marketplace, early movers such as Burberry are going to have less of an inherent advantage, requiring them to amplify their efforts to remain competitive.

“By linking the product range available for purchase online with the turnover of the company grouped by 'clusters' depending on their position, we can see significant differences in brands' approaches to ecommerce,” said Marco Pozzi, senior advisor at ContactLab and creator of the Online Offer Dive series.

“Some of these brands fully embrace the philosophy of online shopping, while others are still very cautious in making their catalogues available to online shoppers,” he said. “This

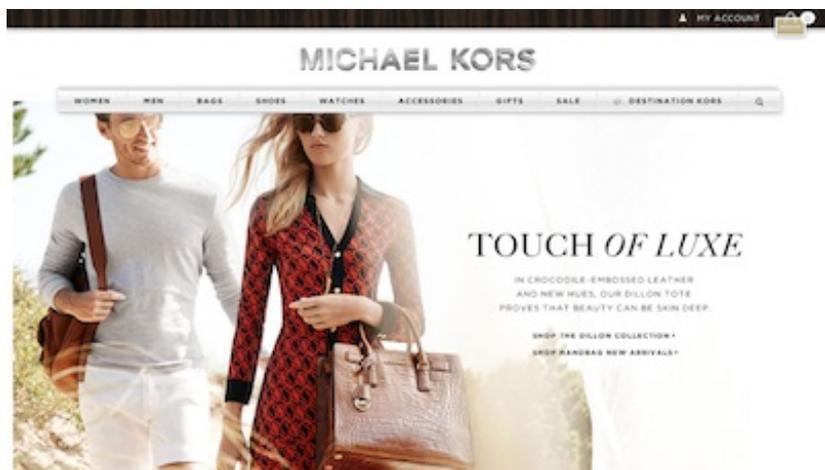
relationship can be readily used as an index to determine the different positions of the brands in the advancement of their digital strategy."

For the spring/summer 2015 edition of the "Online Offer Dive" the researchers examined the ecommerce availability of 30 brands in the United States, analyzing 40,000 styles and almost 63,000 shoppable items.

Increased competition

Gucci and Burberry, which topped the rankings in the fall and spring, have decreased the amount of SKUs offered this season compared to last. Meanwhile, Hermès and Michael Kors, which rounded out the top four for both studies, have shown an upward trajectory in ecommerce expansion.

U.S. labels such as Ralph Lauren, Michael Kors and Tiffany & Co. ranked higher in the correlations, showing more development than a number of their counterparts.



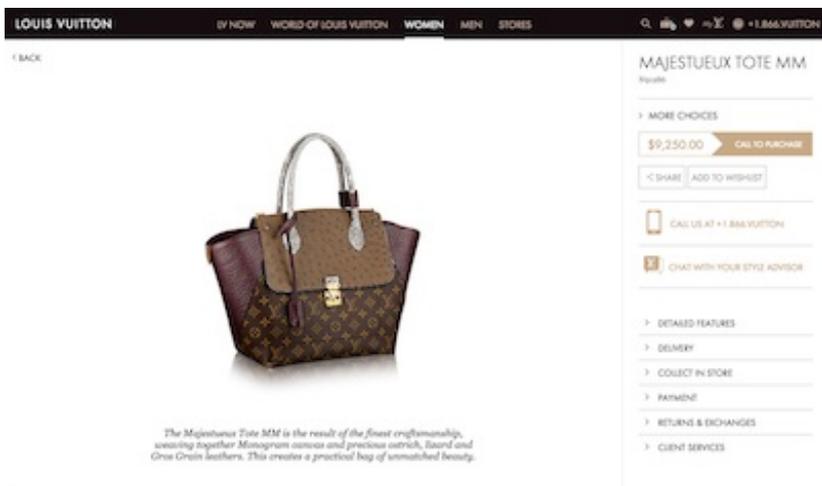
Michael Kors ecommerce site

Contrary to the wide held belief that a more expensive brand is more likely to be wary of ecommerce, the report found that both accessible and high-end brands were found on each side of the ecommerce divide.

Items included in the study also reflected the pricing of the luxury market as a whole, rather than leaning toward the accessible. Seventy-five percent of ecommerce items had a price greater than \$1,000, and up to 10 percent of items were being sold for \$3,000 or more.

Even with its growth, Prada is still fairly removed from ecommerce, remaining one of the most resistant to online selling along with Louis Vuitton, both of which only sell .25 items online per million Euro in sales.

Out of all brands studied, Louis Vuitton is the most apt to offer a call to purchase option on a product page, seemingly to directly engage with consumers via its Web site. During the study, about 1,600 of its total Web catalog of 4,000 included a phone call-to-action rather than direct purchase path online.



Louis Vuitton call to purchase

Similarly, Givenchy recently allowed consumers to preorder its Nightingale bag online via a form as a way to participate in online shopping while its digital shopping remains limited to an app ([see story](#)).

On average, brands allow consumers to purchase from most, or 80 percent, of their online catalog. This is not the case in jewelry, for instance Bulgari, Tiffany and Cartier, which display a number of items only available in-store.

Chanel and Dior, among the most ecommerce resistant based on the ratio of ecommerce products to revenue, only sell 20 percent of what they showcase online, most of which are beauty items. Fendi and Celiné, which do not have any ecommerce in the U.S. at this time, also use their Web sites as a form of virtual catalog.



Dior primarily sells beauty products online

Product mix

About one third of the total products offered online are ready-to-wear, which may be over the top, with an online penetration under 10 percent.

Balenciaga, Gucci, Hermès and Bottega Veneta carry the most varied product selection online. Hermès has the highest number of soft accessories, such as scarves, ties and gloves, for sale, perhaps trying to create an entry into the brand for aspirational

consumers.



Hermès created an ecommerce microsite for its scarves

Ralph Lauren has the most SKUs out of any brand, with its almost 14,000 ecommerce items double that of second place Armani. While more than 50 percent of Ralph Lauren's online offerings are ready-to-wear, it is the leader in number of home goods and also boasts a larger than average children's selection, a category that is generally underpenetrated.

It is not surprising that fashion retailers dominated the top spots in the rankings.

Within the luxury industry, fashion brands are seeing the gap between in-store and online sales close at the sharpest rate, according to a new report by the Luxury Institute.

Convenience, better prices and wider product selection are driving consumers away from stores to ecommerce marketplaces. However, this ongoing shift away from physical locations should not spur brands to go on a store-shuttering spree, since improvements in cross-channel connectivity will put brakes on this shift, potentially reversing it ([see story](#)).

Ecommerce's market share in luxury is also increasing, with recent research from McKinsey projecting online sales to account for 18 percent of total luxury purchases by 2025.

Only the United States and China will account for more sales in the luxury industry than collective ecommerce by 2025, according to a McKinsey analyst at the Financial Times' Business of Luxury Summit June 8.

Back in 2009, McKinsey had capped its ecommerce prediction at 2 percent of sales, or \$4 billion, for 2015. The actual figure is around 6 percent, or \$14 billion, and the research firm has accordingly reassessed its view of digital channels, anticipating robust growth for the next decade and beyond ([see story](#)).

Over the past few months, ecommerce holdouts such as Chanel have taken steps towards a broader ecommerce selection with test-runs with retail partners or capsule collections.

Final Take

Sarah Jones, staff reporter on Luxury Daily, New York

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