

RETAIL

Mobile is the new luxury shopping center, says YNAP CEO

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Image source Yoox

By SARAH JONES

LISBON, Portugal The portion of online retail group Yoox Net-A-Porter Group's sales that are coming through mobile is constantly growing, with the company expecting the majority of purchases to be made via mobile devices by 2020.

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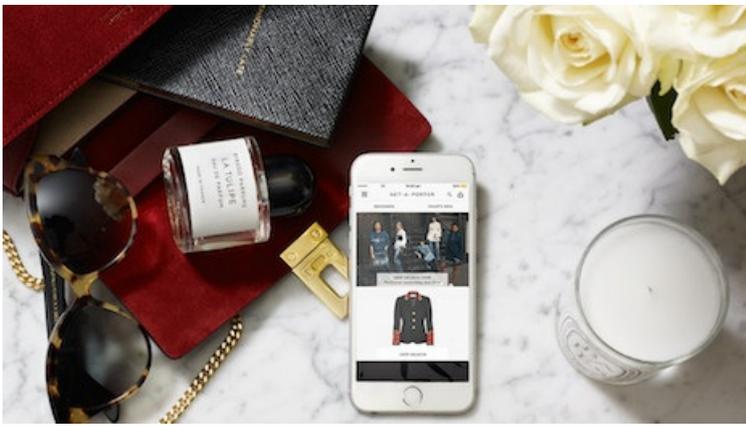
While there were doubts that luxury shoppers would forego the bricks-and-mortar experience for ecommerce, these concerns have been proven unnecessary, with consumers turning to digital platforms to buy everything from high-fashion to fine jewelry. During a keynote at the FT Business of Luxury Summit on May 16, the CEO of YNAP shared his outlook for the online luxury market as well as the efforts his own group is doing to innovate for today's consumer.

"The hard work has been done," said Federico Marchetti, CEO of [Yoox Net-A-Porter Group](#). "The luxury shopper is now online."

Ecommerce expansion

In 1999, when Mr. Marchetti first started out in his effort to bring fashion online, he was met with a lot of skepticism from those who thought consumers would miss the tactile experience of shopping in-store for luxury. Even though it is 18 years later, he is still fielding the same types of questions from those who do not believe that consumers will buy particular luxury products online.

Yoox Net-A-Porter Group has proven that consumers will spend through digital channels, with one client purchasing a \$133,000 timepiece through mobile messaging platform WhatsApp.



Net-A-Porter app

Last year, YNAP began to establish partnerships with hard luxury brands. Since then, this new category for the group has seen collaborations with Tiffany & Co., Piaget, Cartier and Buccellati ([see story](#)).

Now that YNAP has combined the previously separate Yoox and Net-A-Porter, the collective group has more funds to invest in innovation, spending about 500 million euros on its 2020 five-year plan ([see story](#)).

Over almost two decades in business, YNAP has amassed lots of information about its customers, giving it a strong understanding of the luxury client online. While this data and automation allows for more intuitive targeting, the human element is still important.

At YNAP, this presents through its services and marketing.

The group recently launched new personal shopping services for its Extremely Important People. These include an option for these big spenders to try on items while a courier waits, taking away any hassle of return.



Net-A-Porter ad campaign

Content is another important aspect of YNAP's business. Its brands present merchandise in editorially-inspired spreads on the ecommerce sites, while the group's print magazine Porter has been increasing its subscriber base by 30 percent.

Online opportunity

While Net-A-Porter and Yoox were early adopters of ecommerce around the turn of the 21st century, the recently merged entities are facing newer competitors in the online space.

For instance, luxury conglomerate Mot Hennessy Louis Vuitton recently confirmed months-long rumors of its creation of a multi-brand flagship.

The new venture is inspired by LVMH-owned department store Le Bon Marché, taking its name 24 Sèvres from the retailer's Rue de Sèvres address as well as its loyalty program. Along with creating a centralized place to shop LVMH labels such as Dior and Fendi, the digital store will also stock competitors' merchandise, more closely echoing the model of LVMH's bricks-and-mortar retailing arm ([see story](#)).



Federico Marchetti speaking at the 2017 FT Business of Luxury Summit

With ecommerce growing by about 15 percent per year, Mr. Marchetti noted that there is room for multiple players in the space.

One place that YNAP has no intention of extending its operations to anytime soon is physical stores for its brands. Instead, the group is establishing omnichannel services through a partnership with Valentino.

The "Next Era" business model, slated to launch early in 2018, expands on the Italian label's existing relationship with YNAP, which has powered Valentino's ecommerce site since 2008. Now, the retail group is collaborating with Valentino on omnichannel solutions designed to meet the changing needs of luxury shoppers ([see story](#)).

"Be the customer," Mr. Marchetti said. "If you want to do well, if you want to understand your customer, the easiest thing is if you are the customer."

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