

RETAIL

Uniting digital, physical key to reinventing luxury retail: Farfetch CEO

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Piece from A.N.G.E.L.O Vintage's menswear collection on Farfetch, selected by model Dennis Okwera. Image credit: Farfetch

By NORA HOWE

Online retailer Farfetch is aiming to not only keep up with developments in digital fashion, but to revive the offline experience and seamlessly intertwine the two channels.

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As technological innovation and the pandemic have accelerated the evolution of digital fashion, brands and retailers have started preparing for the inevitable and permanent shift in consumer needs. During the opening virtual session at the *Vogue Business* and TikTok inaugural **Technology Forum** on March 18, founder and CEO of Farfetch Jos Neves examined the critical role of technology within the fashion retail space, and offered his perspective on the future of fashion and retail.

"In five years, if you ask a customer if they purchased a jacket or a pair of shoes online or offline, they will not be able to answer that," Mr. Neves said. "It will not even be a question anymore.

"It will not be about online or offline, but rather just retail," he said.

The future of retail

In continuing with his predictions for how people will shop luxury in the next few years, Mr. Neves believes the online shift will undoubtedly continue, based on its currently steep trajectory.

However, he notes that even if a company doubles its online sales, reaching 40 percent, that still leaves 60 percent in physical retail. To neglect the customer-facing opportunities in-store, where the majority of sales are being conducted, would be detrimental to the business.

"Physical retail has not really changed since the '90s, or since the advent of the credit card," Mr. Neves said. "And while it is a truly irreplaceable experience, it does need to be reinvented."

His solution is to create a relationship between physical and digital to meet the customer's realistic shopping experience.

"A customer does not wake up thinking, Today I am an online customer, or offline customer," he said. "Throughout

a single day, a customer could wake up, browse the Farfetch app for inspiration, walk into a brand's flagship store to get excited about a product, check the website later, then walk into a luxury department store, then end up making a purchase at home on the brand's website."



Balmain is one of many luxury brands found at Farfetch. Image credit: Farfetch

In 2018, Farfetch launched an accelerator program Dream Assembly aimed at developing promising startups in the fashion world ([see story](#)), which Mr. Neves credits as providing significant assistance in the development of the company's proprietary technology.

From virtual try-on technology to 3D sampling to contribute toward a circular economy, Farfetch has leaned on and invested in tech startups to solidify its role as a significant player in digital fashion.

Another major step the online retailer has made in the digitization of fashion is its global partnership with Alibaba and Richemont, which was announced in November 2020 ([see story](#)).

"The question that sparked this entire deal was, Where will we see retail and fashion in the next five years?" Mr. Neves said. "As we discussed our ideas, it became crystal clear that we had the same vision for the future.

"Simple, we do not see a replacement of offline by online, and that is where Alibaba differs from a company like Amazon, who enters an industry to completely replace the offline market with an online market," he said. "We see ourselves as digital enablers for the best brands and physical retailers in the world, and have the opportunity to collaborate with them and advance their strategies."

At the beginning of March, Farfetch officially launched its flagship store on Alibaba's Tmall Luxury Pavilion, marking a key milestone in its effort to digitize the luxury fashion industry ([see story](#)).

In regards to its approach to social platforms, Farfetch goes where the customer is in a multidisciplinary way, according to Mr. Neves. The company is involved with short-form video platform TikTok and its Chinese-equivalent Douyin, and will continue its involvement with Snapchat and Instagram.



Farfetch monitors multiple luxury brands on WeChat, optimizing consumer engagement. Image credit: Burberry

In China, Farfetch powers 80 luxury brand accounts on WeChat, developing media programs that include allowing customers to shop the brands directly through the app.

"It will continue to be a sophisticated world to navigate because there will always be new platforms," Mr. Neves said. "We will continue trying to figure out the appropriate ways to navigate each individual medium."

Luxury livestream

When the pandemic first began and events were postponed or cancelled, fashion houses immediately turned to livestreaming to showcase their collections. What started as a quick pivot has lasted as a crucial tool in the digital fashion commerce space.

TikTok is looking to implement features allowing users to buy products within the app, interact with influencers and their product affiliate links and purchase products from livestreaming events.

The Financial Times reported that TikTok is planning an "aggressive expansion into ecommerce in the U.S.," including the livestreaming events that will act as a modern home shopping network on a user's smartphone ([see story](#)).

Israeli designer Alber Elbaz unveiled his long-awaited AZ Factory brand with a film during couture week in Paris, followed by a livestreaming event "The Talk Show with Alber Elbaz & Friends" hosted by Net-A-Porter.

An immersive virtual experience "The AZ Factory World Tour" went live on Farfetch.com immediately after the brand launch. Through Farfetch's technology-forward content-driven approach for AZ Factory, the experience allowed viewers to virtually "hop in" the fashion truck in various cities and "try on" products while browsing using augmented retail technology ([see story](#)).

"Livestreaming really works and people seem to really engage with it," Mr. Neves said. "With Alber Elbaz's AZ Factory, some of the best engagement we got with the project was when Alber did a series of livestreaming sessions with our private clients around the world it was extraordinarily successful."

"The customers were over the moon to be able to speak with Alber and also learn about a completely new concept," he said. "It's something we will continue doing for our customers."