

RETAIL

Farfetch CEO sees tech innovation as key to new luxury'

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Farfetch is helping luxury brands imagine the future of retail. Image credit: Farfetch

By SARAH RAMIREZ

Being slow to digitize luxury has kept brands from fully personalizing high-end retail experiences.

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In a conversation with Launchmetrics CEO Michael Jas at [Launchmetrics' Performance digital summit](#) on Jan. 19, [Farfetch](#) founder, chairman and CEO Jos Neves discussed his predictions for luxury retail. Founded in 2007, Farfetch has carved a unique niche for itself as an online platform that offers solutions for luxury retailers and boutiques.

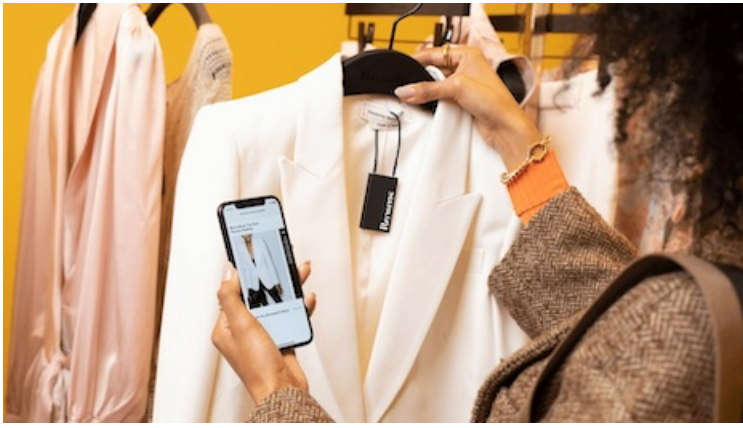
"We're really pushing boundaries and innovating with brands," Mr. Neves said. "We very often mix innovation into a campaign because we are a tech platform."

The conversation was moderated by Sarah Shannon, editorial director of [Vogue Business](#).

Building brand bridges

Farfetch has dubbed the convergence of physical and digital channels as "luxury new retail." While the share of luxury ecommerce sales has grown during the COVID-19 pandemic, the vast majority of luxury sales still take place in physical stores.

"That experience has not been digitized and more importantly, as a consequence, has not been personalized," Mr. Neves said. "It's a very anonymous experience."



Expanding digital services can help brands personalize the in-store experience. Image credit: Farfetch

For instance, a top client can walk into a brand boutique in a new city and sales associates without omnichannel resources may not know to treat that shopper like a VIP. Farfetch attempts to act as a bridge to better connect the physical and digital sides of retail.

According to Mr. Neves, many luxury brands consider Farfetch to be a DTC channel rather than a wholesaler since they have more control over merchandising and pricing, as well as access to customer information, customer data and visibility.

In addition to being a direct channel to consumers, some luxury brands have turned to Farfetch as a media channel, combining retail marketing with ecommerce.

"Collaboration can be a way to connect," said Lauchmetrics' Mr. Jas. "It's about reaching an audience that you cannot reach immediately with your own voice.

"In the last five years, the number of touchpoints has been multiplied by three and it will probably double in the next few years," he said. "Understanding the marketing mix is critical and, to be clear, I think that most brands don't have a clear vision of their mix in terms of different voices."

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A post shared by FARFETCH (@farfetch)

Farfetch has had exclusive marketing partnerships with brands including Burberry and Gucci

Farfetch's notable bespoke brand activations include a virtual "metaverse experience" for Burberry's Olympia

handbag and an augmented reality virtual-try on with Swiss jeweler Chopard. The platform complements these efforts with programmatic ads, email marketing or even private livestreams with its top clients.

These partnerships are particularly important for brands as it becomes harder to retarget consumers due to changing data restrictions and policies. This also creates an opportunity for native publishers and ecommerce destinations, such as Farfetch, since they have more first-party data available.

Investing in sustainability

Sustainability also remains a leading priority for Farfetch, as the platform evolves from a linear to a circular model.

By 2030, the company has set a goal to have "100 percent conscious products" available on Farfetch, Browns, NGG and Stadium Good, defining those products as organic, recycled, upcycled, preowned, fair-trade or independently rated as such by ethical groups.

In 2020, Farfetch launched Conscious Edits for womenswear, menswear and children's wear. A fashion footprint tool offers shoppers more information about the environmental impact of materials or choosing secondhand options ([see story](#)).

Farfetch also emphasized the importance of resale with its acquisition of the platform LUXCLUSIF in December. It plans to leverage LUXCLUSIF's technology capabilities to further develop its existing resale service, Farfetch Second Life ([see story](#)).

"You will expect in the future to go into any of these luxury stores with your old handbag or old pair of shoes and, over the counter, give it to the brand and get credited a certain amount for a new purchase," Mr. Neves said.

"This white-labeling of pre-owned is going to be a big movement in the industry," he said. "Brands need help technologically because it's difficult to price in real-time and how do you sell these items?"

"How do you power this from an operational and from a technological perspective? We're stepping into this space and we're going to market the white-label solution for brands.

"It's a very exciting area for the industry from a sustainability point-of-view, but also from a customer expectation point-of-view."