

COMMERCE

## Net-A-Porter US headquarters proves strength in luxury ecommerce spend

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By TRICIA CARR

Online retailer Net-A-Porter is setting up its second headquarters in the United States to be present in its largest market, a move that could allow it to compete with other U.S.-heavy online retailers as the market shifts to favor ecommerce transactions.

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The company, which offers true luxury items from brands such as Dolce & Gabbana, Gucci, Bottega Veneta, Christian Dior and Alexander McQueen, opened its U.S. headquarters earlier this week. Net-A-Porter will likely make moves to increase visibility in the market, which is proof that U.S. consumers have embraced online shopping as well as mobile commerce, experts say.

"This is not just a small event, but the sign of a business that is maturing from successful player to a global business that acts locally and professionally," said Alexandre Meerson, managing partner at [La Boutique de Luxe](#), Paris.

"The company acknowledges that the U.S. side of its business is growing," he said. "It is still nascent but has an immense potential, if they invest locally."

"Praised for their concept, service and offerings, it is now very mature and the steps it took are extremely professional."

U.S. bound

A location in the U.S. solidifies that **Net-A-Porter** sees a future in ecommerce in the U.S.

The company saw growth of 73 percent year over year in the U.S. with 25,000 new customers during that time and more than 6.5 million unique users per month, according to a report on **Women's Wear Daily**.

In fact, both of its headquarters are outfitted with screens that show exactly what is selling globally, including on sister sites **Mr Porter** and **The Outnet**, per the publication.

“Like any solid international brand, it recognizes the importance of its U.S. operation,” Mr. Meerson said. “If it wants to grow brand awareness in the U.S. retail landscape, it cannot avoid building a presence locally.

“New York is the ideal base to reach out to the U.S. customers, as a physical presence is essential to ensure the delivery of the superb level of customer care and service that is expected along with the adequate marketing and communications plans that have to be both localized and remain true to the brand’s values,” he said.

Indeed, Net-A-Porter has been bolstering its services recently.

Last month it upped its mobile commerce strategy with upgrades to its iPhone application that included social sharing and wish list updates.

Net-A-Porter’s app makes it easier to shop for luxury brands via mobile. Its updates allow the retailer to spread its reach with social sharing and let consumers give feedback (**see story**).

This also shows that the company believes that its customers will purchase via mobile.

“The U.S. consumer lags behind other key markets in many digital-based habits,” said Michael Silvia, partner at **Evins**, New York.

“As consumers here more fully embrace mobile shopping and big-ticket online purchases, it becomes critical for major players seeking these consumers to be in the markets they serve to ensure that marketing, partnerships, fulfillment and customer service are as seamless and market-savvy as possible,” he said.



## Shared success

Net-A-Porter's decision to open a headquarters in the U.S. might speak to the success of luxury flash sale sites such as **Gilt** and **Rue La La** in the market.

"The mere fact that Net-A-Porter, a global brand, has decided the U.S. market is worth an additional investment means that there is untapped potential with luxury consumers," Mr. Silvia said. "It means consumers are engaged, buying and worth paying attention to in a bigger, more targeted way."

There is a lot more online purchasing and researching actions among U.S.-based luxury consumers that shows the strength in the market for Net-A-Porter as well as its competitors.

"The U.S. is a huge country in fashion and luxury, so I think it justifies the move in," said Jean-Marc Bellaiche, New York-based senior partner and global leader of **Boston Consulting Group's** luxury, fashion and beauty practice. "I think U.S. consumers love to shop and spend money."

"I do think that more and more luxury consumers are between online and offline," he said. "You search online and you buy offline or you research offline and buy online, and this is all happening very fast."

"Consumers are connected more and more every day, evaluating what they want to buy."

Meanwhile, this move shows that online presence is just as important as bricks-and-mortar locations, especially for luxury brands and retailers.

"Net-A-Porter plans to maintain its position of excellence and development of initiatives that drive industry trends," said Molly Leis, principal of **MRL Communications**, New York. "Its choice to have a physical presence in New York's cutting-edge fashion capital symbolizes the transition of ecommerce to a new era in retail, where online business is as important as bricks-and-mortar."

## Final Take

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