

Here and on the next pages, Mr. MARCHETTI is photographed in the YOOX warehouse in Bologna, Italy. He wears a white shirt by MARC JACOBS, grey cardigan by ANN DEMEULEMEESTER, trousers by UMIT BENAN and desert boots by CHURCH'S. On the right, he swaps the cardigan for an ALEXANDER McQUEEN jacket, and sits on a specially designed YOOXTIGEN bike. On the next page he has put the cardigan back on. Grooming: Helena di Fatta.



PROFILE

Mr. FEDERICO MARCHETTI



is the founder of YOOX, the super-successful shopping website that is now leading fashion to a whole new reality...

Text Caroline Roux
Photography Simon



FANTASTIC MAN





MR. MARCHETTI

In an industry that has seen better days, one miraculous story is that of Mr. FEDERICO MARCHETTI, whose company's launch on the stock market made it the only Italian IPO in 2009. His business YOOX.com has expanded from its early days of selling last season's clothes to become the online partner of some of Italy's biggest luxury houses. At the age of 41, Mr. MARCHETTI's ambitions stretch far and wide, not just internationally but into other areas that might well change the Italian business landscape for good.

Mr. FEDERICO MARCHETTI doesn't own a car. He travels around Milan on a 1970s bicycle that he found last year in the flea market near his office in the city's Navigli area. "Look at it," he enthuses of the chunky two-wheeler that occupies a corner of his office. "An original GRAZIELLA, with all the details, all the chrome." That might not sound so unusual in 2010—city cycling is, after all, a most acceptable thing to do—except that Mr. MARCHETTI is Italian. And he could certainly afford a car. Or three. Without even a VESPA to his name, he is a rare thing: a motor-free Italian male and, by extension, a mould-breaker.

Mr. MARCHETTI is the founder of the YOOX GROUP, a multi-brand internet retailer that has grown into one of the major players in the e-commerce world. He was just 31 years old when it launched ten years ago, selling end-of-season stock from high-end designers. Now, it's also the digital partner of 20 big fashion brands, running the online stores of VALENTINO, ARMANI, MOSCHINO and MARNI among others, with offices in Italy, the United States, Japan, and China coming soon. Its commercial online muscle is matched with more gente web-based projects: special collaborations with designers including HUSSEIN CHALAYAN and GILES DEACON; an exclusive range of totally eco beach wear by KATHARINE HAMNETT, films by NICK KNIGHT and HEDI SLIMANE, a spin-off website called THECORNER.com where smaller labels can sell more crafted wares—moccasins

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by BRUNO BORDESE, expensive pieces by GARETH PUGH—alongside MARC JACOBS sneakers and RICK OWENS bags.

Most importantly, YOOX.com was one of just five (yes, five) companies in continental Europe to go public last year, and the only one in Italy (two were in France, and two in Germany). After a decade of inconspicuously beavering away in the darkness of the digital realm, in December 2009 Mr. MARCHETTI emerged, blinking into the sudden glare of business-world interest.

"For Italy, this is an incredible project. It comes from nowhere. I come from nowhere. From zero," says Mr. MARCHETTI in fluent English flecked with Americanisms and delivered in a distinctly Italian cadence. "I think that one of the reasons they, the business community, let me grow and no one interfered was because they didn't get it. They didn't even see me. Not until 3 December 2009, when we went public. For nine years, they thought it was a joke. The Italians only care about TV."

Mr. MARCHETTI, on the other hand, cares about a lot of things: film, fashion, travel, ALITALIA, Japanese food, art—possibly in that order. PETER SELLERS is a regular topic of conversation. ("When I'm in a bad mood I'll watch THE PARTY and it makes me laugh every time," he says. "I like his style too, his humour, the fact that he was controversial.") His favourite film is 2001: A SPACE ODYSSEY. He's deeply concerned, too, about being "low-profile". He might be at the helm of a company now worth €360 million (started with €1.5 million), but that doesn't mean he can't cycle to work. He might be



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connected to fashion, but that doesn't mean he has to take his meals at LA BRISA and GIACOMO BISTROT with the rest of the modisti.

Instead, he likes to eat at DA RITA E ANTONIO, his local restaurant in via Giacomo Puccini, decked out like a 1970s American diner but serving decent Italian food brought to the table by ageing waiters in classic attire. (Mr. MARCHETTI doesn't know what happened to RITA. "But ANTONIO is like a despotic tyrant in a movie, so it's possible that he did away with her. It would suit his character," he muses.) He has just bought a little apartment in his hometown, Ravenna, inland from Italy's Adriatic coast, and one in New York, but he'd very much prefer me not to make too much of that, if anything at all. It would, he thinks, create quite the wrong impression.

Of course, anyone who has so much as glanced at the business pages of any newspaper in the last few years will know that Mr. MARCHETTI's eagerness to keep his personal worth quiet is disingenuous, or just deluded. Online retail is the big happy story of the latter part of this decade. In 2009, online retail sales in Europe totalled £127 billion (most of that generated by what is known as the 'big online three': France, Germany and the UK). In 2008, YOOX alone took €101 million, a 48 per cent increase on the previous year. Rumours that Mr. MARCHETTI is personally worth about €150 million could well be true. That he is quite simply one of the biggest movers in the rapidly expanding sector that is online fashion retailing is fact.

Not that the success of YOOX.com was entirely inevitable. For a start, it launched on 21 March 2000, just a couple of weeks before BOO.com—the trailblazing internet retailer that had promised to revolutionise our shopping habits—so famously collapsed. At the time, the BOO boys put its demise down to too much marketing and too much champagne, but Mr. MARCHETTI believes they simply had the wrong technology and a vast inventory that they subsequently couldn't shift. He also puts it down to timing. By the time YOOX arrived, and fellow fashion specialist NET-A-PORTER, also launched in 2000 from London, the world was a little more ready.

Where the latter has sold itself on total luxury—the NET-A-PORTER site emulates a glossy fashion magazine, the fancy packaging redolent of 1950s glamour—YOOX is less slick and more uneven. I suspect customers love its prices (there are some incredible bargains to be had: main-line McQUEEN shirts at \$99) rather than its aesthetics, while its founder swears it's all about service. "Since the beginning, the main strategy of YOOX

is the best service," avers Mr. MARCHETTI. "We invested in that rather than advertising: free returns; next-day dispatch; UPS, and not some bad postal service; really good recycled, biodegradable packaging. The return customer generates the word of mouth that generates good business."

He also rates the company's greenness. "Last year we spent almost €100,000 to compensate for the CO₂ created by our UPS deliveries. The packaging is completely recyclable, which means we pay more for it—it reduces our profit margin, but I think it's the way to do it. We shipped over 1.2 million orders last year. Imagine if AMAZON, with \$20 billion in revenue, had more responsible packaging."

NET-A-PORTER and its founder, Ms. NATHALIE MASSENET, are, of course, Mr. MARCHETTI's nearest rivals. "In a bit of weird organisation, I got sat next to NATHALIE once at a MARNI show," he laughs. "Of course we talked about this and that. It would have made a good picture, us together, if anyone had noticed." He is convinced that his taking YOOX public provoked RICHEMONT to buy out MASSENET for a reported £50 million in April 2010. "I was the trigger; they freaked out. They had to move," he says.

MASSENET's and MARCHETTI's success, and indeed that of ASOS.com, which also launched in 2000, are all proof that, contrary to assumptions, consumers don't always need to touch before they buy. Many customers have entered the online arena carefully, first with books from AMAZON, then by downloading music, building up a familiarity with digital—rather than real—engagement with products. They might have dealt with the complexity of bidding on eBay and the excitement of trawling for hard-to-find items across the internet, before coming to high-end clothing as another virtual option. Others have simply been delighted to have access to more luxury goods. And everyone likes the feeling when a gift-wrapped present arrives a day or two later, even if they're the one who's paid for it.

Mr. PATRIZIO DI MARCO, chief executive of GUCCI, has said he sees new media as "a way of making luxury younger", particularly with reference to iPhone apps that create a new level of intimacy between consumer and brand. Indeed, YOOX's own STYLE GIFT GUIDE, downloadable free from the iTunes app store, allows for mobile shopping; Mr. MARCHETTI says someone recently used it to purchase a €3,800 EMILIO PUCCI jacket.

Mr. MARCHETTI, for all that he is discreet and measured, is unable to hide his disapproval of Ms. MASSENET's action to sell her company.



MR. MARCHETTI

"We got offers last April from some big US giants but I said 'no,'" he continues. "I convinced my venture capitalists that going public was better. I wouldn't take a director's role. I would never work for anybody in my life. I will never have a boss. I did this to be free and independent. I couldn't end up with a boss on the West Coast, or RICH-EMONT." Which is why Mr. MARCHETTI conducted a public offering of his shares on the Milan Bourse instead. "We sold 60 million shares at €4.30 in December. Now they're worth €6."

The Corso Magenta neighbourhood where Mr. MARCHETTI lives is very central and marvelously chic. Certain palazzi date back to the 16th century, others exude a more turn-of-the-century glamour; the gardens are luscious but hidden. Mr. MARCHETTI has had a flat here, reached through a courtyard and up a tiny flight of black metalwork stairs, since he was an economics student at Milan's smart Bocconi university. The tiny space was rent-controlled and he kept it even when he went off to London and New York in the 1990s. "I finally bought it four years ago," he says. He then bought the one above and joined the two, with the original flat becoming a glassed-in winter garden. "It's a very nice location and I am a creature of habit. I like the area and I love my apartment. Why would I move somewhere else?" (The New York place, I later learn, is on the same SoHo street he lived in when studying for his MBA at Columbia, in 1998 and '99. Alas, the actual flat he had previously occupied was not for sale.)

I love Mr. MARCHETTI's apartment, too. In a city full of big-roomed, horizontal residences with acres of hard, shiny marble and terrazzo floors, this is a curious place indeed—more an accumulation of small wood-floored rooms connected by little flights of stairs than a continuous space. He lives here with his English girlfriend, Ms. KERRY OLSEN, who is a beauty writer for WOMEN'S WEAR DAILY and possibly a key component of his keeping-it-real strategy. Tall and pretty, with no trace of make-up and the vestiges of a northern accent, she comes from Yorkshire, and took a law degree at the University of East Anglia, via a state school education. She says she speaks better Japanese than Italian (she worked for a Japanese fashion buyer for a couple of years) and admits that the first year in Milan was tough, with lots of sitting silently through endless dinners.

Now she is learning to cook from a step-by-step guide to Italian cuisine given to her by a thoughtful Milanese friend. "I'm not a good cook," says Mr. MARCHETTI. "In fact, I'm not a good Italian. I don't like soccer and I like Japanese food."

They are unable to agree on the length of their relationship. Ms. OLSEN, who is 33, believes it to have lasted around six years so far, while Mr. MARCHETTI only started timing it when Ms. OLSEN actually took up residence in Milan three years ago. This, I believe, exhibits a pretty hard-line approach to the evaluation of commitment.

On a plain blue sofa in the winter garden, we sit and drink prosecco before dinner and Mr. MARCHETTI eats all the crisps. He is of good height (1.78m) and rangy, with bristly black hair and coal-black eyes. He looks after himself by swimming and, fast-thinking, -moving and -talking as he is, can probably take a lot of crisps on board. There are wooden Japanese dolls and matryoshkas on shelves and paintings on the walls. Outside on the terrace are a pomegranate tree and a jujube bush. As an entrepreneur, he seems to have a preference for plants that bear fruit.

Mr. MARCHETTI loves to travel. When he was in his teens, it was during one of his stays in London that he came upon a pair of strange chunky boots. "They were very, very, very weird. Tall like mountains, kind of yellow," he remembers. "I bought them and three or four years later, they were the biggest trend in Italy—TIMBERLANDS. I like to spot things."

Today he is dressed casually in a green T-shirt, probably from URBAN OUTFITTERS, a brown checked cotton UNDERCOVER jacket with taped seams, cream MARGIELA trousers and mushroomy suede TOD'S loafers. Some of it is bought from YOOX.com and THECORNER.com, but "I love to go to a little shop in Tokyo or JEFFREY's in New York as much as clicking onto JILSANDER.com. It's about 50/50, online and out there."

"Buying online is still about entertainment," he says. "But the other reason it's growing is to do with shops. They are old. They're not fun anymore. They're not entertaining anymore. I went to CHANEL, for example, last Christmas—the main one in the rue Cambon. I was expecting such an incredible store and service. The carpet was all dusty and the changing room was full of items that hadn't been put back. Mr. KARL should check it out."

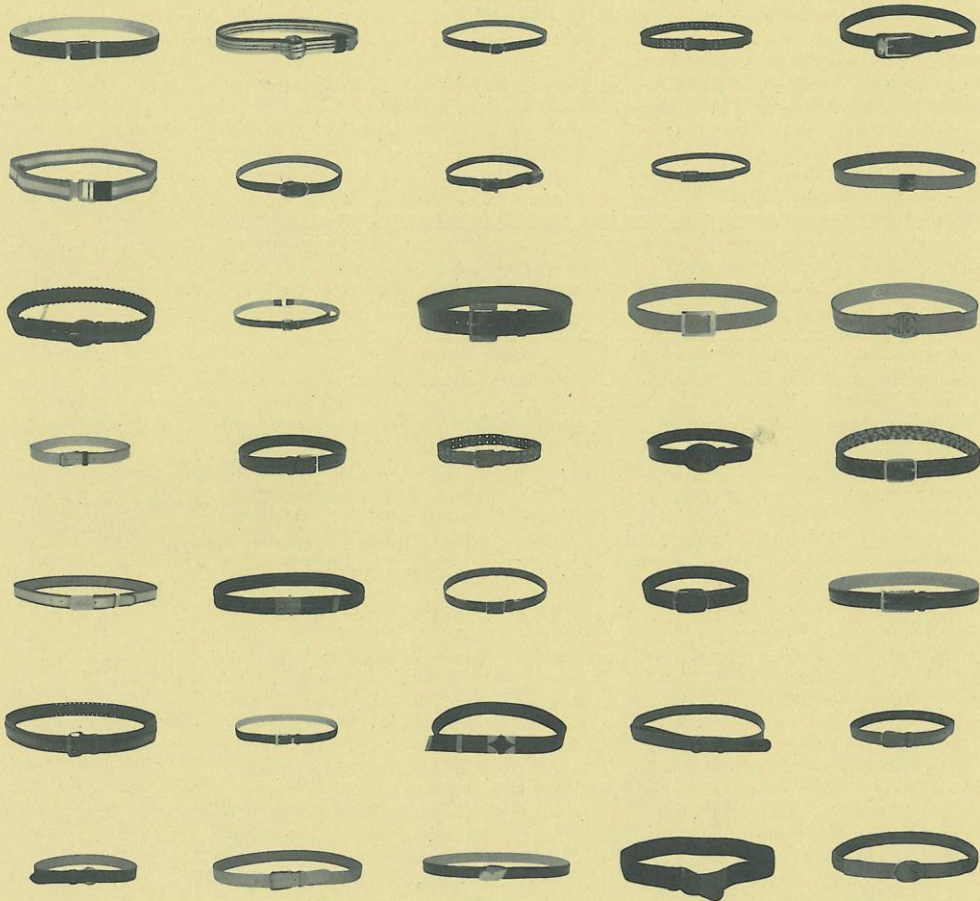
Mr. MARCHETTI often describes himself as an outsider and he sees the members of the YOOX community as a free-spirited bunch. "In the group of people that I have as friends and collaborators, there's a common denominator. They're the opposite of VICTORIA BECKHAM. She's over there and the YOOX people are over here. It's a completely different way of approaching fashion."

"I'm a not a good Italian. I don't like soccer."



YOOX.COM

Thirty-five belt options



A selection of men's belts that were available on YOOX.com one day in August 2010. Because of the nature of the website, it cannot be guaranteed the belts will be available now. From top left to bottom right: ALDO BRUÉ, €65; BALenciAGA, €69; COMME DES GARÇONS, €69; DIESEL, €39; DOLCE & GABBANA, €79; DSQUARED2, €138; FABRIZIO MANCINI, €59; GAETANO NAVARRA, €65; GAZZARRINI, €25; GIANFRANCO FERRÉ, €42; GIORGIO ARMANI, €49; GIULIANO FUJIIWARA, €115; HTC, €69; JIL SANDER, €98; JUST CAVALLI, €109; LEE, €10; LONGHI, €75; MAISON MARTIN MARGIELA, €115; McQ, €98; MISSONI, €130; MOSCHINO, €39; NAPAPIJRI, €35; NEIL BARRETT, €69; ORCIANI, €69; PAOLA DEL LUNGO, €79; PATRIZIA PEPE, €32; PIQUADRO, €59; PRADA, €69; RAF SIMONS, €69; RICCARDO FORCONI, €95; SANTONI, €98; STEFANO ROSI, €24; THIERRY MUGLER, €98; TOD'S, €98; TRUSSARDI 1911, €69.



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They're, indeed, an intriguing assortment. Among them is Mr. ALESSANDRO GUERRIERO, an esteemed but fairly impoverished 70-something architect who started ALCHEMIA, a radical Italian architecture setup, in 1976. GUERRIERO creates a monthly front-page image for YOOX.com, a piece of art rather than a product. He, in turn, introduced Mr. MARCHETTI to Ms. HOLLY BRUBACH, the respected former style editor of THE NEW YORK TIMES, who contributes to the site.

In London, he is still friendly with some of the people at GOLDMAN SACHS, who helped to take the company public. "I think that they are nicer now. Before the big GOLDMAN SACHS scandal, they were very arrogant. Now they have to be nice. It's an interesting change."

Recently, Mr. MARCHETTI went to an AMAN resort for the first time, something he had wanted to do for quite a while—"My self-reward after the IPO." AMAN is the super high-end hotel chain that sells itself on its flawless service, and Mr. MARCHETTI, a service obsessive ("not luxury—I couldn't care at all—but service"), wanted to see if it could possibly live up to his absurdly high expectations. He is, he's sure, at the top of the most-wanted list of every five-star Paris hotelier, thanks to his persistent dissatisfaction with every Parisian five-star hotel he's ever stayed in, even the much-vaunted BRISTOL ("They didn't make up my room until 7pm!"). Anyway, he went to Bali to test it out. Ten out of ten! If only, he says, there was an AMAN in Paris. He was particularly taken with the way they labelled his and Ms. OLSEN's luggage, correctly, and with exquisite leather tags.

Mr. MARCHETTI's airline of choice is ALITALIA—economy for Europe, business for long hauls "only because of my bad back"—but not for reasons of national pride. "It's an entrepreneurial exercise for me, travelling with ALITALIA," he explains, "because I'd really like to buy it and reshuffle it. A year ago, they changed it and cut many flights and ruined everything. But you could do something fantastic and service-oriented. The AMAN of airlines!"

His vision of in-flight delight would include seating by the classic Italian design company POLTRONA FRAU and a movie selection that includes the films from the greatest Italian directors of the 20th century. I suggest a reintroduction of the food trays specially created for the airline in the 1960s by JOE COLOMBO. But we can't decide on who should do the uniform; the ARMANI and DOLCE & GABBANAS are too obvious a choice.

Etcetera

Mr. FEDERICO MARCHETTI's smart move was more than just an early belief in online retail. From the start, he acted as an online outlet store with the consent of the designers, meaning he was shifting the fashion industry's unwanted goods without cheapening their brand. Alongside a solid business foundation of his own, it also meant MARCHETTI had the goodwill of the Italian fashion industry, which set him up for his expansion into selling current-season fashion. As many brands realised they urgently needed an online store, MARCHETTI was their first choice to run it for them. It means that the online stores for such brands as JIL SANDER, DOLCE & GABBANA, MARNI and EMPORIO ARMANI are tagged by the words "Powered by YOOX". As time moves on, the man who was once an outsider to Italian fashion is proving to be an integral part of how it will conduct its future.

"It shouldn't be obvious," agrees Mr. MARCHETTI, "but the trouble is that in Italy we just don't have very good young designers. It's a real problem—there are old people everywhere. No young people, no fresh blood. You're young if you're 70. These old people, they're very attached to their chair. They go through scandals and they still hang on. In China, young is 25," he continues. "That's why they're so good. Super-hungry, super-motivated, looking to the future, not the past. In Italy, we look too much to the past. Except not at YOOX. In my company the average age is 30." I later visit his office, across town in the canal-laced Navigli district—one large open-plan room containing two room-length white desks—and find this to be quite true.

Mr. MARCHETTI, a man of his word, is in the process of setting up an office in Shanghai that aims to make the most of the country's ambitious young adults. It's a long way from the somewhat imperialist stance taken by many Western companies, who seem to think you can wave a LOUIS VUITTON bag and the Chinese will gratefully come running. "The Chinese are not stupid at all. And the Chinese government is not stupid at all. They want people to invest in China, not export to China. They want people there, creating jobs, investing money, bringing know how and creating something Chinese. That's what we are doing. The YOOX team there is made up of only Chinese people," says MARCHETTI.

"We bring them ten years' experience of e-commerce. How to do the operations, how to do the shipping, the returns, the labelling of products... But everything will be China on China, fully localised. That's the way to be successful in China."

This, then, is his long-term strategy in place. Even if Europe continues to crumble away, he'll always have China.

And maybe ALITALIA too.

(Ends)