

Luxury labels step out into the virtual world

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French luxury designer labels, Lacoste and Mauboussin, have launched Internet boutiques. Lacoste, which hopes by 2014 to generate 100 million euros in turnover via web sales, is also banking the move will rejuvenate its image.

Buying diamond watches or designer labels on the Internet might seem anathema for those able to jet across the world for a shopping spree, yet luxury firms are slowly but surely investing in e-trade.

Two high-end French labels, Lacoste and Mauboussin, have just opened Internet boutiques while British luxury Internet site net-a-porter has been bought out by luxury Swiss group, Richemont, owners notably of Cartier and Chloe.

The luxury sector long thumbed its nose at the [virtual world](#) on grounds that "surfing on the Internet was far removed from the experience of a brush with luxury," said Joelle de Montgolfier, head of the [Europe](#)

luxury sector for consultants Bain & Company.

A telling example is Louis Vuitton, part of leading luxury group LVMH. It opened a site as early as 1999 but launched sales only in 2005.

Paris luxury house Hermes this week estimated its Internet sales at five percent of its total.

In a sector where exclusivity touches as well on distribution and price control, the cultural revolution has been slow in coming.

In 2009, worldwide luxury sales on the Internet totalled 3.5 billion euros, a fraction of total sales amounting to 153 billion euros, Bain & Company said. But while the share of sales on the Internet remains tiny "it rises 35 percent each year, including in times of economic crisis," De Montgolfier told AFP.

Consultants Precepta believe Internet sales in the luxury sector could double to seven billion euros in 2011.

Luxury web boutiques offer identical packaging to boutiques and ensure shipments are controlled.

"Not being present on the Internet amounts to losing sales in real stores," said Eric Bascle, who heads strategy and development for Devanlay, the textile arm of Lacoste, which has just opened its first web-shop in France.

"In the sector of premium labels, one out of two customers who buys in a boutique has consulted the web beforehand for the same product," he told AFP.

Lacoste, which hopes by 2014 to generate 100 million euros in turnover

via web sales, is also banking the move will rejuvenate its image.

French jewellers Mauboussin, who have just launched e-trade in France, expects to see Internet sales of six to eight million euros, "equivalent to a Paris boutique."

In the jewellery sector, Boucheron, part of the Gucci Group owned by PPR, were the first to open an Internet boutique in 2007. As for Italy's Gucci, its web turnover "increased 50 percent in 2009 worldwide," a spokeswoman said.

In the United States, where e-trade has taken on, "it allows us to serve customers in smaller towns where labels are not present," said Gucci Group.

Faced with the boom in e-trading and the change in customer habits, the luxury sector has had to give in and follow suit to avoid subsidiary sites grabbing a slice of the pie, such as multibrand stores like Neimann Marcus or specialised Internet boutiques such as net-a-porter.

But many high-end brands, such as Louis Vuitton or Hermes, only offer a selection of their goods.

Jewellery firms such as De Beers in the United States, a joint-venture of De Beers-LVMH, or Tiffany for example choose to offer engagement rings on the net rather than more expensive sets.

"There's no hurry", said Philippe Pascal, who heads LVMH's watch and jewellery division. "After sales service has to be perfect to ensure customers are entirely happy with a purchase."

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